

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Thursday January 10 1985

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Nicaragua's revolution  
becomes a fight  
for survival, Page 4

## NEWS SUMMARY

### GENERAL

#### Senate studies spending freeze

Republican leaders in the U.S. Senate are preparing to consider an across-the-board freeze of all government spending programmes, including defence, except those for the post.

The plan is designed to reduce the federal budget deficit considerably more sharply than currently envisaged by the Reagan Administration.

Senate aides claim that the Senate leaders' plan would balance the U.S. budget by 1990 if fully implemented. Page 4

#### Ethiopia aid

Ethiopia accepted an offer of Israeli food and medicine for its famine victims despite controversy over the airlift of Ethiopian Jews to Israel, relief officials said in Tel Aviv.

#### Cabinet resigns

The Bolivian Cabinet resigned to allow President Zuazo to settle disputes in the ruling coalition and form a new team.

#### Vietnamese pull-out

Vietnamese troops occupying a key Kampuchean guerrilla base crossed into Thailand but retreated after a meeting with Thai officers, the Thai military said.

#### Lambert charged

Former West German Economics Minister Otto Lambert was formally charged with tax evasion in the Flick political bribery affair.

#### Ferry dispute ends

A dispute ended between French fishermen and the coast guard over a ferry company's seizure. Page 2

#### Israeli attack

Israeli aircraft attacked a Palestinian guerrilla base in the Syrian-controlled Bekaa Valley of eastern Lebanon. Page 3

#### Ecuador clash

One student was killed and more than 200 arrested in Quito, Ecuador, in clashes with police on the eve of a two-day general strike.

#### Gunship supplied

The U.S. has supplied El Salvador's air force with a gunship capable of firing 2,000 machinegun rounds a minute.

#### Rebel deported

Nicaraguan rebel leader Steadman Fagoth is to be deported to the U.S. for violating Honduran neutrality laws. Sandinistas tell. Page 4

#### Middle East tour

West German President Richard von Weizsäcker will make state visits to Jordan and Egypt next month.

#### Lawsuit fails

Film director Franco Zeffirelli lost a £30n (£1.5m) claim against a Milan television station, which he said ruined the screening of his 'Romeo and Juliet' by interrupting it 18 times with advertisements.

#### Cockroach protest

Belgian Justice Minister Jean Gol was sent 300 dead cockroaches by a group protesting against conditions in two Brussels prisons, an organiser of the 'Committee against Cockroaches' said.

#### Nun 'hit policeman'

A Montreal policeman said he was bitten by a nun belonging to the Apostles of Infinite Love sect when he tried to arrest her for soliciting donations without a permit.

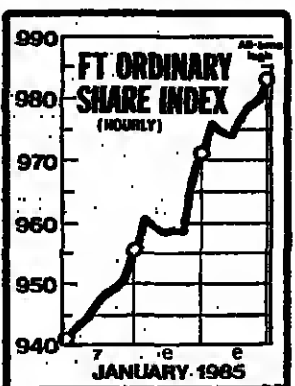
### BUSINESS

#### European bourses continue advance

RECORD HIGHS were again recorded by leading European bourses as London surged ahead on institutional buying taking the FT Ordinary index 11.5 up to 983.1, its third straight peak. Gilt shares moved sharply. Gilt shares moved sharply.

Foreign buying buoyed Frankfurt with a 3.9 point rise in the Commerzbank index to a record 1,141. Early profit-taking developed in Paris trading but it still hit a peak as local interest rates eased. Zurich and Milan reached 12-month highs.

The all-time high in Tokyo - the Nikkei Dow average rose 83.78 to 11,763.57 - was attributed to the re-



sumed Geneva arms talks which may lead to lower U.S. military spending and a drop in U.S. interest rates. Markets, Section III

**DOLLAR** was firm in London, rising to DM 3.162 (DM 3.154), SFR 2.815 (SFR 2.809), FFf 9.885 (FFf 9.885) and ¥248.05 (¥248.05). On 2,805 (DM 3.02), SFR 2.792 (SFR 2.792), FFf 9.885 (FFf 9.885) and ¥248.05 (¥248.05). The pound's trade-weighted index rose to 145.9 from 145.7. Page 41

**STERLING** weakened in London, falling 90 points against the dollar to \$1.342. It was also lower at DM 3.005 (DM 3.002), SFR 2.792 (SFR 2.792), FFf 9.885 (FFf 9.885) and ¥248.05 (¥248.05). The pound's trade-weighted index fell to 145.7 from 145.9. Page 41

**GOLD** fell £1.70 on the London bullion market to finish at \$390.53. It was also lower in Zurich at \$398.00. Page 40

**KEC** formally approved a trade agreement that will limit Community tube and pipe exports to 7.5 per cent of the U.S. market this year and in 1986.

**BRAZILIAN** team will discuss with EEC in Brussels next week a voluntary steel exports restraint agreement. Page 4

**INDONESIA**, one of Asia's largest foreign borrowers, will borrow on the commercial market in 1985 only on a small scale and in order to keep a presence there. Page 18

**WEST GERMAN** Cartel Office will investigate the size of Philips's stake in the West German television maker Löwe Opta at the time of Philips's takeover of Grundig last year, an office spokesman said.

**BAVARISCHE VERKEHRSBANK** said it had acquired a 5 per cent stake in Messerschmitt-Bölkow-Blohm (MBB), the West German aerospace and defence technology company.

**ZIM**, Israel's largest shipping group, with debts of \$510m is likely to appeal for state help. Page 18

**DIAMOND SHAMROCK** chairman Mr William Bricker said directors unanimously rejected a proposed \$50m merger with Occidental Petroleum because the final terms were unsatisfactory to shareholders. Page 19

**KUBOSPACE** consortium has proposed a \$25.5m industrial space development programme to European governments. Page 4

## U.S. briefs allies on agreement to reopen talks with Moscow

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON, AND ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN BRUSSELS

THE U.S. yesterday moved to inform its allies about Tuesday's agreement with the Soviet Union on reopening arms control negotiations to curb the nuclear and space-based weapons of the two superpowers.

In what was being seen as an important effort to maintain political unity in the Western alliance on the arms control issue, Mr Robert McFarlane, President Reagan's National Security Adviser, met Mrs Margaret Thatcher, Britain's Prime Minister, in London, while other U.S. officials gave briefings at Nato headquarters in Brussels and the West German Government in Bonn.

Over the next few days senior U.S. officials will meet political leaders in France, Italy, Belgium and the Netherlands. Other emissaries will go to Japan, Australia, New Zealand, Israel and Egypt.

After all their consultations yesterday, U.S. spokesmen emphasised that the agreement reached with

the Soviet Union on Tuesday after 14 hours of talks between Mr George Shultz, U.S. Secretary of State, and his Soviet counterpart, Mr Andrei Gromyko, was only a first step.

Mr McFarlane told a press conference in London that there should be no illusions. The negotiations were bound to be long and difficult, although the U.S. hoped that they would ultimately lead to radical reductions in the world's nuclear arsenals.

Mrs Thatcher, after a meeting that Mr McFarlane described as a "rich and fruitful exchange", stressed the British Government's concern with working out agreements aimed at preventing an arms race in space as well as reducing nuclear weapons on Earth.

In Brussels, where a team led by Mr Paul Nitze, President Reagan's arms control adviser, met the Nato Council, the agreement was wel-

comed, although caution was also evident.

Diplomats said that Nato governments welcomed the speed and thoroughness of the U.S. consultations. European governments were anxious that the Soviet Union should not try to drive a wedge between the U.S. and its European allies as it attempted to do during the initial deployment of the U.S. cruise and Pershing missiles last year.

A statement issued by Mr Richard Burt, U.S. Assistant Secretary of State for European Affairs, at the end of the briefings in Brussels, said that Nato members had particularly noted that one of the negotiating objectives would be radical reductions in intermediate-range nuclear forces.

Concrete results would do away with the need for the deployment in Europe of cruise and Pershing missiles. It was noted that since December the Soviet Union had added to its force of SS-20 launchers to

take the total to 306. More bases for the intermediate-range weapons were also being constructed.

It seems evident from yesterday's meetings, however, that several procedural matters, as well as the more profound problems of the substance of the forthcoming negotiations remained unresolved.

The Geneva agreement provides for the USSR and the U.S. each to appoint a single delegation to the talks, which would be divided into three "working groups." They would cover long-range or strategic nuclear weapons, medium-range missiles such as the Soviet SS-20s and the U.S. cruise and Pershing missiles, and space weapons.

The date and venue for the negotiations will only be decided after more consultations during the next month. Mr McFarlane said yesterday that it had still not been decided whether the U.S. delegation would be led by a single negotiator

able to trade-off concessions between the three working groups.

Mr McFarlane said yesterday that the work of the three groups would inevitably be linked. Progress in one might well lead to progress in another. In Brussels, however, Mr Burt implied that the U.S. had not sought such a linkage, which the Soviet Union could exploit if it wished to be obstructive.

Mr McFarlane said that the U.S. had used the last year since arms control talks broke down to review its position on strategic weapons in particular, and was ready with new proposals.

He was less clear on whether new ideas were available on the Euro-missiles, although he emphasised that there was no question of the British or French nuclear forces being covered in the talks.

On the issue of space weapons, Mr McFarlane repeated the Administration's view that because President Reagan's Strategic Defence In-

itiative (SDI) - the so-called "star wars" programme - was still only at the research stage, it could not be the subject of negotiations.

Peter Riddell, Political Editor, adds: The position of Britain's Polaris and future Trident nuclear missile systems was raised during yesterday's talks between Mrs Thatcher and Mr McFarlane. UK policy is that its strategic deterrent should stay outside the negotiations unless and until there has been a fundamental change in the U.S. and Soviet nuclear balance.

The UK Government's attitude on Polaris and Trident was yesterday described as "extremely foolish" by Mr Denis Healey, the Shadow Foreign Secretary. He said that the last Labour Government had planned not only to put Polaris into the Salt 3 talks but also to ask for separate direct representations in the discussions.

Background, Page 2; Editorial comment, Page 16

## Government pressure leads to 1/2-point cut in French base rates

BY DAVID HOUSEGO IN PARIS

FRENCH BANKS, led by Credit Lyonnais, yesterday cut their base lending rates by 1/2 point to 11 1/2 per cent.

It is the first reduction in the cost of bank credit since August and only the second time in two years that the banks have cut interest rates.

The move had been strongly pressed on them by M. Pierre Berégovoy, the Economy Minister, to stimulate investment and the level of economic activity. The Finance Ministry calculates that the 1/2-point cut in the base rate - after a 1/4-point reduction in August - will save companies FFf 4bn (\$414m) in financial charges.

The Government itself has been under strong pressure from the Socialist Party to provide some boost to economic activity to reduce unemployment. It feels that it can now go a little further on this front through a downward pressure on interest rates, because both the 1984 inflation rate and the French current account deficit for the year are likely to be better than was expected in July.

Figures are expected to show that retail prices rose by 0.2 to 0.3 per

cent in December. France is therefore likely to have registered a 6.7 to 6.8 per cent inflation rate for 1984, despite the continuing rise of the dollar against the franc. It had been feared that the inflation rate would be over 7 per cent.

The current account deficit for 1984 is expected to be under FFf 5bn after FFf 33.7bn in 1983. That reflects the sharp improvement in the trade deficit over the last six months.

For M. Berégovoy, a reduction in bank lending rates is a more effective way of stimulating industrial investment than action through the budget as pressed on him by many in the Socialist Party. He has, however, been seeking a further 1/4 point cut.

last year, the level of investment had appeared to be flattening out this year with forecasts by Insee, the official statistics institute, of only a 3 per cent increase in real terms.

M. Berégovoy yesterday called the reduction in rates as "the surest way to reactivate the economy to increase the competitiveness of our industries" and eventually to reduce unemployment.

The banks have none the less been holding out against a lowering of rates on the grounds that the cost of funds to them through interest paid on deposits or through money market rates had not come down sufficiently.

The Bank of France, however, has been progressively bringing down its intervention rate - the rate at which it purchases government and first-class commercial paper from the banking system and which sets the level of other rates.

The intervention rate has fallen from 12 per cent in May last year to 10.5 per cent. The last fall of 1/4 point came last Thursday. The bank, however, are seeking a further 1/4 point cut.

## UK plans £2bn temporary aid to ease liquidity

BY PHILIP STEPHENS IN LONDON

THE BANK of England yesterday announced plans for a temporary cash injection of up to £2bn (£2.3bn) into the UK banking system later this month to ease expected liquidity shortages in the London money markets.

The central bank's announcement coincided with another gloomy day for sterling on foreign exchange markets and continuing uncertainty over the outlook for British interest rates.

On the London Stock Exchange, however, shares continued their record-breaking run, with the FT Industrial Ordinary Index rising by 11.9 points to a high of 983.1.

The index has now shown a 54-point gain since Friday, with heavy institutional buying pushing it towards the 1,000 level.

The facility, the largest ever provided by the Bank, reflects the authorities' anxiety that seasonal corporate tax payments and accelerated value-added tax on imports would combine to produce acute money market shortages in coming weeks.

The Bank traditionally removes the shortages by buying commercial bills on a day-to-day basis, but its operations - regularly totalling over £500m a day - were threatening to become unmanageable.

The Bank's existing bill holdings, commonly referred to as the "bill mountain", are estimated by broker W. Greenwell to total around

£124bn, or about three quarters of the total number in existence.

Further heavy purchases later this month would have encouraged bill arbitrage, the process which allows companies to borrow money relatively cheaply and to lend it back at a profit in the interbank market. That in turn inflates the money supply.

Similar, although smaller, facilities have been provided at about the same time in previous years, but yesterday's announcement was none the less seen as evidence that the Bank remains concerned to discourage a general rise in borrowing costs.

The arrangement works by allowing banks and licensed deposit-takers to draw cash from the central bank against the security of government securities, and promissory notes between January 15 and February 14.

On the London money markets yesterday interest rates eased slightly, helped by news of the arrangement and by signs that U.S. rates might fall. Britain's leading banks, however, are still not entirely confident that a rise in base rates can be avoided if sterling continues to decline.

Yesterday the sterling index showed a 0.4 point fall to end at a record closing low in London of 72.3.

UK stocks, Page 35; Money markets, Page 41

## Demand 'to exceed Opec ceiling'

By Richard Johns in London

DEMAND FOR crude oil produced by the Organisation of the Petroleum Exporting Countries (Opec) in the first quarter of 1985 could be as much as 3.5m barrels a day (b/d) above its collective ceiling of 18m b/d, according to the International Energy Agency (IEA).

Preliminary estimates published yesterday were drawn up before Christmas and are likely to be revised downwards. Even so, they indicate that Opec has a chance of tightening up the market and maintaining a reasonably coherent price structure in the short term if members strictly adhere to the 18m b/d limit.

Leading oil companies - which provide figures for IEA monthly assessments - believe that the IEA has pitched the figure for overall demand too high. Actual consumption at the turn of the year was running at a lower level than had generally been expected, they say. At the end of November it had estimated a 1.1m b/d drawdown.

In the first three months of 1985 it could be about 2m b/d less than the 46.6m b/d projected by the IEA, according to one company estimate. Nevertheless, the industry still sees the possibility of a supply gap greater than can be comfortably accommodated by a further drawdown of

Continued on Page 18  
Cold comfort for Opec, Page 16

## Le Monde deadlock broken as Fontaine stands for election

BY DAVID HOUSEGO IN PARIS

THE DEADLOCK at Le Monde over the nomination of a new director and editor-in-chief has been broken with M. André Fontaine, currently associate editor, announcing yesterday that he would be a candidate.

He is likely to win a majority vote of the editorial staff next week and be confirmed as editor by a general assembly of the newspaper on January 18. His taking over the newspaper would represent a compromise by journalists in face of Le Monde's deepening financial crisis.

It is, however, a sign of the continuing difficulties at the newspaper that news of his candidature coincided with the announcement that Le Monde would not appear today because of a strike by printers belonging to the Communist-led CDT union.

The printers are expressing their anger at the divisions among the journalists which, they claim, have left the newspaper without any real leadership since December - the day Mr André Laurens, the former editor, announced his resignation. They are also protesting at the withholding of bonus pay.

M. Fontaine, aged 63, a distinguished specialist on East-West affairs, was the main candidate for the succession before he withdrew

his name on December 20 in the face of opposition from some of the editorial staff. He also failed to get the manager of his choice to join his team.

The breakthrough comes in a week of considerable changes in the French press which reflect the growing competition for readers in a shifting market. One new daily newspaper has appeared, another formally announced that it would start publication on Monday and a weekly newspaper has collapsed.

The new daily to emerge is Ce Soir, which is flying the political colours of M. Michel Jobert, a centrist leader who was Foreign Minister under President Valéry Giscard d'Estaing and Minister of External Commerce under President François Mitterrand. It has been started on a small budget by the publisher of M. Jobert's newsletter.

A more ambitious venture, that will arrive on the streets on Monday, is the Tribune de l'Economie - a French language international business daily largely modelled on the Financial Times and the Wall Street Journal. It will compete with Le Monde in its economic and international coverage as an evening paper. A press conference to launch it was held on Tuesday.

The casualty of the week has been the magazine Hebdo, an aggressively right-wing illustrated news magazine which was founded over a year ago in the hope of capitalising on the unpopularity of the Socialist administration. Short of a last minute miracle, it is to close.

As the new head of Le Monde, M. Fontaine is expected to carry out many of the cost-cutting measures associated by his predecessor, including cuts in salaries. He has left open the possibility that he will sell Le Monde's headquarters in the Rue des Italiens as a way of raising funds. M. Laurens resigned after his proposal to sell the building had been rejected.

Le Monde has suffered a 15 per cent drop in sales in recent years to 360,000 copies a day, precipitating cumulative losses of about FFf 80m (\$8.28m).

Leyla Ertugrul adds: France's first breakfast television programme was expected to go on air today after a strike by employees of Antenne 2, the second French national television channel, ended yesterday.

The show was due to start on Tuesday but was held up by union demands for additional jobs and bonuses for the extra programmes.

### WHAT DO KIMBERLY-CLARK KNOW ABOUT POLYMER TECHNOLOGY?

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## Clwyd WALES

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## EUROPEAN NEWS

# Priest's accused killer attacks Polish Church

BY CHRISTOPHER BOBINSKI IN TORUN

A FORMER Polish security service captain, on trial for allegedly murdering Father Jerzy Popieluszko, the pro-Solidarity priest, yesterday launched a bitter attack on the Catholic Church in a statement which implicitly accused the Communist party leadership of being too soft on the country's bishops and priests. Earlier the crowded court room heard the presiding judge read a statement written by Mr Grzegorz Piotrowski, the former captain, the day after his arrest, in which he in effect accused General Czeslaw Kiszczak, the interior minister, of "an indecisive policy" towards the Church.

Mr Piotrowski, who is seen as responsible for keeping an eye on Poland's radical priests, painted a picture of a ministry full of frustrated functionaries "more and more aware that their efforts had little effect."

"Grown men cried when they heard that Fr Popieluszko had been released after his arrest in December 1983," Mr Piotrowski wrote in his statement.

General Kiszczak had once written in the margin of a proposal for action against the priests, "I'd like to agree but... an admission, Mr Piotrowski suggested, of impotence at the top of his ministry.

Speaking on the eighth day of the trial of four security officers accused of murdering

# Death toll reaches 100 in cold spell

PARIS - The death toll related to Western Europe's worst cold snap in years exceeded 100 yesterday, and authorities reported chaos in ground and air transport.

Heavy snow and rainfalls over the past week have paralysed rail, road and canal traffic throughout Europe and disrupted air transport with airports shutting down as far south as Rome.

France again bore the brunt of the harsh frosts with the death toll reaching 23, mostly vagrants or elderly, and another 24 deaths attributed indirectly to the weather.

Officials said as many as 24 old people died near Beauvais, north of Paris, when the intense cold caused a water pipe to burst, triggering a short circuit and fire in their hotel.

An unprecedented 15 inches of snow fell on Nice, with the Promenade des Anglais and its palm trees laden with snow.

Fruit and vegetable producers in southern France asked for emergency government aid. Half of the olive crop has been destroyed and flower growers say minuses and carnation crops stricken severely.

In the southern marshlands of the Camargue, at the mouth of the Rhone, an operation was mounted to rescue endangered flamingoes. Some 200 birds have already frozen to death.

The state electricity board EDF said production reached a record 58,700 megawatts on Tuesday night, compared with a maximum 48,000 megawatts last winter, as coal-fired coal-powered and fuel oil stations were restarted to meet unprecedented demand.

In Spain, 26 cold related deaths have been reported. Some were vagrants who froze to death in the streets and 16 were caused by accidents attributed to the snow and cold.

The national news agency, EFE, said damage to Spain's Mediterranean fruit and vegetable crops could reach Ptas 100m (\$37m).

Italy's Catalan port city of Barcelona was left without power for seven hours yesterday after a generating plant's frozen pipes burst. Electricity demand rose by 50 per cent on Tuesday.

Temperatures in the west areas of northern Spain plummeted to -15C and snow covered the western part of the Mediterranean island of Minorca for the first time since 1956.

An unofficial tally of weather-related deaths around Western Europe in the past week at a minimum, including the hotel fire in France.

Switzerland, where an unemployed man froze to death in an abandoned stable, reported the lowest temperature. The village of La Brevine, dubbed "Swiss Siberia," recorded -41.2C.

In Namur, south-east Belgium, the Meuse river froze for the first time since 1962. Traffic around the country was disrupted severely with only one-tenth the normal rail services and many three-lane highways reduced to a single lane.

In the Netherlands, icebreakers were called out on canals on Tuesday for the first time.

West German officials said 400,000 students were excused from school in Lower Saxony after temperatures reached -20C.

In Austria, officials reported delays of 10 hours for rail and road transport.

Italian authorities called out troops around the country to help clear roads and thaw out railway switches, signals and tracks.

# Washington gets down to choosing a team

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

NOW THAT the U.S. and the Soviet Union have agreed on at least a rough framework for future arms talks, the next step in Washington will be to put together a negotiating team for what is regarded here as almost certainly a long-haul assignment.

Washington has been holding back on the appointment of negotiators until the structure of the new talks became clearer, and there was no immediate official comment yesterday on reports from Geneva that the top job would go to Mr Max Kampelman, a 64-year-old Washington lawyer.

Mr Kampelman, a conservative Democrat, is a veteran of the second Strategic Arms Limitation Negotiations (Salt 2) and a former delegate to the 35-nation Conference on Security and Co-operation in Europe.

Yesterday, he expressed interest in the job, but said that he had not been approached for it. Another negotiator who has been pushing hard for a role in the talks is retired General Edward Rowny, head of the U.S.

delegation to the Strategic Arms Reduction Talks (Start), which were suspended by Moscow at the end of 1983.

Mr Rowny's chances were generally thought in Washington to have improved following last week's announcement by Mr Paul Nitze, the veteran and highly respected special adviser on arms control to Mr George Schultz, the State Secretary, that he would not be available as a full-time negotiator.

However, Mr Rowny is thought by many in Washington to be too close to his former colleagues at the Pentagon, and probably too unyielding to appeal to Mr Schultz, who favours a more flexible approach. Mr Schultz has made it clear that he intends to continue to play an important role in directing the conduct of the talks.

Whoever is finally chosen, Mr Robert McFarlane, President Ronald Reagan's national security adviser, is likely to remain a key player in the difficult task of trying to assemble



McFarlane: key player

a coherent U.S. position for the negotiations. The soft-spoken former marine colonel chairs the

Washington co-ordinating committee that is trying to resolve the continuing internal administration disputes, largely between the hardline Pentagon and the softer line State Department, that are likely to intensify as the negotiations reach issues of substance.

The often self-effacing Mr McFarlane, who frequently briefs Washington reporters in the guise of an unidentified "senior administration official," has a reputation as a good staff man, more of a liaison officer than a policy-maker. His influence, however, should increase to the extent that Mr Reagan, to whom he reports directly, becomes more involved in the arms control process—as he has begun to do in recent weeks.

Like his boss, Mr McFarlane believes that the main purpose of the arms talks should be to negotiate the transition from offensive nuclear weapons to defensive non-nuclear systems, such as the planned Star Wars space weapons.

Mr McFarlane's decision to go to Geneva, over which he is said to have long "agonised," was intended to demonstrate to the Soviet delegation that Mr Schultz spoke with the full backing of the White House officials.

Under past practice, the National Security Adviser would normally have stayed in Washington to keep the President informed of the talks' progress. This time, Mr McFarlane was "closer to chairing the delegation than being just another member."

Mr McFarlane, a former military assistant of Mr Henry Kissinger, the former national security adviser and State Secretary, has worked for several administrations as a national security official, as well as spending 20 years in the marines. A former deputy national security adviser and special Middle East envoy, he was appointed to his current post in October, replacing Mr William Clark, a long-time Reagan associate who had little experience of security policy.

Special circumstances, however, may interfere with Bonn's hopes of a swift improvement in its political relations with various East European countries in a year in which the 40th anniversary of the German defeat in the Second World War will be commemorated.

The whole conciliatory thrust of its policy risks being blunted by the increasingly strident demands from those expelled after 1945 from territories now belonging to Poland and the Soviet Union for their presumed historical rights to be taken into account.

The Chancellor's seeming acquiescence in this campaign is not only under constant attack from the Social Democrats, but offers permanent ammunition for East European attacks against an alleged "militarist revanchism" on the part of Bonn.

But, in practice, the fact that talks took place in Geneva at all, and Moscow's emphasis on space weapons, makes it difficult to suggest that the Soviet campaign against the deployment of cruise missiles is a success.

In his statement at Geneva, Mr Gromyko sounded reasonably optimistic, noting that "the situation in the world... is wholeheartedly in favour of the state of Soviet-U.S. relations."

He added that negotiations had not been simple but the joint Soviet-U.S. statement had helped to establish a dialogue between the two superpowers.

Whatever the outcome of the talks now planned, the Geneva negotiations have led to a significantly more moderate tone being employed by both countries in dealing with each other.

Mr Andrei Gromyko, the Soviet Foreign Minister, returned to Moscow from Geneva yesterday, apparently pleased that the U.S. has agreed to discuss space-based weapons.

The topic is to be dealt with by one of the three groups to be established within a month by the two superpowers.

Mr Gromyko said at the airport that his delegation had "particularly stressed the importance of preventing the militarisation of outer space."

The Soviet Union is keen to stress that this week's talks in Geneva are entirely different from those broken off at the end of 1983 when cruise and Pershing missiles were first deployed in Western Europe.

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In his statement at Geneva, Mr Gromyko sounded reasonably optimistic, noting that "the situation in the world... is wholeheartedly in favour of the state of Soviet-U.S. relations."

He added that negotiations had not been simple but the joint Soviet-U.S. statement had helped to establish a dialogue between the two superpowers.

Whatever the outcome of the talks now planned, the Geneva negotiations have led to a significantly more moderate tone being employed by both countries in dealing with each other.

Mr Andrei Gromyko, the Soviet Foreign Minister, returned to Moscow from Geneva yesterday, apparently pleased that the U.S. has agreed to discuss space-based weapons.

The topic is to be dealt with by one of the three groups to be established within a month by the two superpowers.

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# Bonn hopes for boost to its Ostpolitik

BY RUPERT CORNWELL IN BONN

THE centre-right coalition in West Germany has enthusiastically welcomed the U.S.-Soviet arms control talks agreement—not least because of the fresh impetus it might give to Bonn's own battered Ostpolitik.

The cancellation last year of trips here by the leaders of East Germany and Bulgaria and a vicious propaganda campaign from Moscow have brought it home to Chancellor Helmut Kohl that better relations between East and West in Europe are vitally dependent on a thaw between the two superpowers.

Now, however, as Herr Peter Bönisch, the government spokesman, stressed yesterday, Bonn is moving cautiously to hope that the benefits of the Geneva agreement might spill over into its bilateral ties with the Soviet Union. The first indication of whether this is so will come

later this month, when the high level West German-Soviet Economic Commission holds a long postponed meeting here.

Bonn is particularly pleased by two aspects of the Moscow-Washington accord, firstly that space weapons will be included in the forthcoming negotiations; and second, that intermediate weapons, whose siting in West Germany caused high political tensions in 1983, will be discussed separately.

More generally, the Chancellor regards the resumption of arms talks as justification of his own stubborn optimism, frequently and sometimes mockingly criticised here— that sooner or later the two superpowers would settle down to new negotiations. In that sense the development can only strengthen his domestic political position, analysts believe.

Even so, the Government is under no illusions that any ultimate success will be very hard earned. Herr Bönisch warned specifically against "underestimating the length and difficulties" of the task ahead.

The Geneva outcome has also been warmly greeted by the opposition Social Democrats, who have not hidden the feeling in recent months that the onus for a disarmament initiative lay with the U.S. "The way is now clear for comprehensive arms control negotiations," Herr Hans-Jochen Vogel, the SPD leader, declared.

But he coupled his reaction with a demand for swift "concrete steps" to slow down the weapons build-up. These might include a mutually agreed freeze on space weapons and on further deployment of intermediate missiles, cruise and Pershing 2s by NATO, and SS-20s, SS-21s and SS-22s by the Warsaw Pact.

On the NATO side, France welcomed the resumption of talks

but left no doubt about its worries that French and other European interests might be neglected in the negotiations.

Paris is concerned that the Geneva declaration for the first time commits the U.S. to elimination of nuclear weapons and thus playing down the role of nuclear deterrence which is a key element in its defence policy.

It is also worried that the resumption of talks will put fresh pressure on France and Britain that their own nuclear weapons should be counted along with U.S. weapons.

Italian newspapers gave fulsome praise to the agreement

of the new policy as the "defence of peace" and the "safeguarding of the independence and territorial integrity of the country," in that order and avoiding any specific reference to Turkey.

Officials were anxious to stress that it will not detract from Greece's military role in NATO. They foresaw no changes in the deployment of Greek land forces which have been deployed with a weather eye on Turkey since at least 1974, when the two countries came to the brink of war over Cyprus.

The officials implied that there might be changes in the deployment of the navy and air force, but gave no details.

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# Clash likely in Ireland over civil service pay

BY BRENDAN KEENAN IN DUBLIN

A CONFRONTATION between the Irish Government and civil service unions seems likely after the official public service arbitrator recommended a pay increase which would cost five times the figure set in the government estimates for 1985.

The arbitration award would give government employees, whose last pay agreement expired seven months ago, a 6 per cent rise in two stages this year. This would cost £100m (£6m) compared with £120m allocated by the Government.

Ministers have three months to consider the recommendation but are likely to dig in their heels and insist that the union fury over rejection of the official arbitrator's recommendation. Such a rejection would require parliamentary approval, with the risk of defections by Labour backbenchers in the ruling coalition.

The Government believes that public sector pay restraint is essential to maintain progress in reducing its annual £1.9bn borrowing requirement.

The Industry Minister, Mr John Bruton, said this week that the public sector pay bill had almost tripled since 1977 government estimates for 1985. High pay increases for the few would be followed almost immediately by higher taxation and more unemployment.

The latest monthly unemployment figures showed a jump of half a percentage point to 17 per cent and analysts believe it may be higher but for renewed emigration, mainly to Britain.

With inflation at around 7 per cent, the unions are in no mood to accept government restrictions. Staff at the central bank have been on strike for more than a month in a pay dispute and bus workers in the national transport company are threatening strike action.

Under an initial restructuring phase at the Astano works in El Ferrol, also on the Galician coast, 3,400 jobs or 60 per cent of the labour force are to be axed. Yesterday, the shipbuilding industry of the state holding company, Ina, which owns Astano, reported that some 1,700 men had accepted the redundancy scheme.

This guarantees 90 per cent of a worker's full salary for three years and full option for new jobs created in the area.

Shipyard violence since last summer has dogged the Government's plans to cut the huge

losses at the big state yards with a severe restructuring programme that critics claim is the state-owned shipbuilding sector. The national shipbuilding workforce of 40,000 will eventually be reduced to some 23,000 jobs and two of the five main yards are to be closed.

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# Spanish shipyards ready to sack 2,000 workers

BY TOM BURNS IN MADRID

AMID CONTINUED violence over the scaling down of the national ship building sector, the management of Spanish state-owned dockyards yesterday prepared to send dismissal notices to some 2,000 workers who have refused to accept redundancy plans.

In Gijón, on the Cantabrian coast, protesting shipworkers attacked a railway depot and set three coaches alight before firemen intervened. There were also reports of clashes with riot police in the city centre after workers set up barricades.

At another threatened yard, the Ascon docks in the Galician industrial centre of Vigo, protestors hijacked a ferry. A navy patrol vessel forced it to return. Shipyard violence since last summer has dogged the Government's plans to cut the huge

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# French seamen call off Channel strike

By Our Paris Staff

SEALINK'S Channel ferry services resumed this morning following the end of a ten-day old strike by French seamen.

The strike ended yesterday following agreement between the French railway authority, SNCF, which owns half of Sealink, and the pro-Communist CGT union.

The main plank of the agreement consists of a lifeline of the blockade at Dunkirk in return for an SNCF promise not to press charges against 40 crewmen of the Saint Germain ferry responsible for blocking the port with the ship.

This prospect opens the door to a realignment of political forces with the return of a



## OVERSEAS NEWS

## Israeli jets attack Palestinians' Beka'a base

By David Lenson in Tel Aviv

ISRAELI WAR planes attacked a Palestinian guerrilla base in Lebanon's Beka'a Valley yesterday, as the Israeli inner Cabinet met to decide how to respond to the stalemate negotiations with Lebanon over an Israeli withdrawal.

Mr. Yitzhak Rabin, the Defence Minister, said yesterday that he was "unsure whether the process of deliberations with the Lebanese to determine security arrangements by agreement are over," but "it is very close to its end, at least in the current format."

The Israeli delegation will not attend today's negotiating session at Nakoura because of the unsatisfactory response of the Lebanese delegation at Monday's meeting to Israel's proposals for the redeployment of the UN force in Lebanon, following an Israeli pullback.

Mr. Shimon Peres, the Prime Minister, called in his senior Cabinet ministers yesterday to examine the options now open to Israel. High on the agenda is the possibility of a unilateral withdrawal from part of the Lebanese territory occupied since June 1982.

Replying to questions in the Knesset, Mr. Rabin said that any decision to be taken by the Government on Lebanon would be "very difficult, because there are risks inherent in any unilateral step," but said that such a decision might be taken "in the very near future."

Israel is not expected to take any major decision before the pending arrival in the area of Mr. Brian Urquhart, the Under-Secretary-General of the UN. He is expected to try to win agreement for an expanded role for the UN force through separate talks with each side.

The army spokesman in Tel Aviv announced that Israeli war planes attacked a Palestinian guerrilla base near the town of El Marj in the Beka'a Valley yesterday afternoon.

The base, a single-storey building, was used by the Palestinian Popular Struggle Front, a little-known Damascus-based Marxist group affiliated with PLO rebels.

Heater adds: Ethiopia has accepted an offer of Israeli food and medicine for its famine victims despite the current controversy over the airlift of Ethiopian Jews to Israel, relief officials said yesterday.

Officials of Magen David Adom, the Israeli equivalent of the Red Cross, said an Israeli-registered merchant ship carrying the contingent would leave the Red Sea port of Eilat on January 27 and dock at Assab, Ethiopia, two days later.

The Israelis will send half a ton of antibiotics, 55 tons of food, 800 tents and 10 field kitchens in accordance with a list from the International Red Cross and Ethiopian Red Cross, the officials said.

The contingent was valued at about \$250,000, donated by private individuals and companies during a government approved fundraising campaign.

## Taiwan continues battle from propaganda outpost

BY BOB KING, RECENTLY IN KINMEN



the last fighting took place in October, 1949, when an estimated 10,000 Communist soldiers invaded the island and boarded sampans and were decimated by the Nationalist defenders.

Nine years later, a 44-day bombardment and siege by the Communists caused many

Westerners to identify Kinmen with the Nationalist cause.

The arguments that supported that cause—Communist domination of Asia and ultimately the world—have fallen into disrepute over the past two decades as one nation after another recognised Peking as the absolute ruler of all China. Currently, only 24 nations, most in the Latin American mould, maintain full relations with Taiwan, compared with nearly 100 that recognise China.

But Kinmen and the other, smaller Nationalist-held islands scattered along the Chinese coastline endure. They signify the Nationalists' continuing commitment to the idea of one China, as much as their opposition to a Communist China. In contrast to Peking's titanic attempts to dislodge the Nationalists there in the past, China nowadays seems prepared to maintain the status quo.

World opinion has shifted, too. The "Communist peril" seems much less threatening when Peking offers Taiwan olive branches instead of bombs and publicly renounces expansionist doctrines.

This leaves the Nationalists in a quandary: how best to utilise their presence on the offshore islands to boost their role as an alternative to Communist rule, without seeming overly aggressive to the world.

As a result, Kinmen has become less of a "dagger pointed at the heart of Communism" and more of an informational way-station for the kind of life Taiwan offers. Some examples are subtle: the Kinmen garrison each year sends via balloon 150,000 lbs of material—transistor radios, watches, toys, soap, plastic dishes, pens, calculators—to their compatriots on the mainland, along with tonnes of leaflets telling of the better life in Taiwan. China sends back its own propaganda by balloon as well.

The two also engage in a battle of words through huge loudspeakers mounted on the water's edge in both camps, blasting propaganda at deafening levels at each other.

Taiwan Defence Ministry officials claim, for instance, that their 24,000-warrior speakers spread the nationalist message up to 16 miles into Fukien province opposite the island, about 13 hours a day. Taiwanese officers tell of sleepless nights when exposed to similar treatment from the other side.

It is hard to tell how much disaffection these sound-barrages cause on the other side. Military officers cite recent defections to Taiwan from other parts of China as evidence of their propaganda's effectiveness, but were unable to point to any recent defectors from Fukien province.

## Number of unemployed blacks rises in S. Africa

By Anthony Robinson in Johannesburg

OFFICIAL unemployment figures for black workers in South Africa have risen above the half million mark for the first time according to the latest figures from the Central Statistical Office. These show a 14,000 rise in black unemployment to 508,000 in July.

The total is believed to have risen sharply since then as the economy has moved into a severe recession which has hit unskilled and semi-skilled employment in the car industry and other major employers of black labour. Drought-hit agriculture has also shed labour heavily.

Officially 8.3 per cent of the 6.13m economically active black labour force was unemployed in July. But the total black population is now estimated to be 18.3m, of whom 11.4m live in rural areas, and research by academic labour specialists puts the true figure for black unemployment and under-employment at close to 3m.

Official unemployment figures show that women are most affected with female unemployment running at 14.1 per cent against 5.4 per cent for males.

The latest figures are expected to provide ammunition for the anti-disinvestment lobby in South Africa. This argues that over 250,000 new jobs have to be created for blacks every year, requiring a minimum growth rate of 4 per cent, and that any action which reduces investment and job opportunities always affects black workers the hardest.

This point was made forcibly by Mr. Herman Nickel, the U.S. ambassador, earlier this week, when he criticised the pro-disinvestment lobby while introducing Sen. Edward Kennedy to a meeting of businessmen.

Sen. Kennedy yesterday continued his tour of South Africa by meeting Mrs. Winnie Mandela, the banned wife of imprisoned African National Congress leader Mr. Nelson Mandela.

## N. Korea threatens boycott of negotiations with South

BY STEVEN B. BUTLER IN SEOUL

NORTH KOREA has threatened to boycott economic and other negotiations with South Korea unless South Korea agrees to cancel participation in large-scale joint military manoeuvres with the U.S.

Mr. Kim Hwan, the North Korean deputy premier, called for a direct meeting with his South Korean counterpart, Mr. Shin Byong-hyun, in order to find a way to salvage the North-South dialogue. South Korea is likely to find it impossible to comply with North Korea's demand for last-minute cancellation of the military manoeuvres, in which 200,000 South Korean and American troops will take part.

The military exercises, scheduled to begin on February 1, have taken place annually since 1976. North Korea was invited to send observers to the exercise.

North Korea has always protested against the exercises as being provocative and has usually responded by putting its own military forces on a high state of alert.

The North Korean move seems calculated to embarrass the U.S. by laying the blame for any failure in the North-South dialogue on the presence of American forces on the peninsula.

A second round of talks on bilateral economic co-operation was scheduled to take place on January 17, and on January 22 some 88 North Koreans were to arrive in Seoul for Red Cross talks on reuniting families divided by the Korean War. It would be the first time in more than a decade that Koreans have moved openly across the tense border between North and South.

## Leading economic status predicted for S. Korea

BY OUR SEOUL CORRESPONDENT

CITING THE 21st century as a "century of the Korean people," Mr. Chun Doo Hwan, the South Korean President, has predicted that Korea would become a leading economic nation of the world in a New Year's address to Korea's National Assembly.

"We have accomplished in about 30 years what it took advanced countries 100 to 200 years to achieve," he said. Mr. Chun predicted that South Korea's gross national product would reach \$250bn, or \$5,000 per capita. Korea's per capita gross national product is expected to surpass \$2,000 this year.

This economic growth will make South Korea, with a population of 42m, the 15th largest economy in the world and the 10th largest trading nation.

Mr. Chun also reiterated his Government's support for continued dialogue with North Korea, and called for a summit meeting between himself and Mr. Kim Il-Sung, the North Korean President. A Government spokesman said that Mr. Chun's use of the North Korean leader's official title of "president" was particularly significant. North and South Korea tend to avoid addressing each other in terms that would imply any recognition of the other's legitimacy.

## Hong Kong rejects Chinese airport plea

BY DAVID DODWELL IN HONG KONG

THE Hong Kong Government has rejected a Chinese request for help in planning an international airport close to the territory's north-western border in a move that illustrates extreme sensitivity in both Hong Kong and China about how to cope with the future growth of international air traffic in southern China.

The rebuttal, admitted by the Hong Kong Government yesterday after a series of careful leaks by the Chinese authorities, comes at a time when there is increasing nervousness in Hong Kong over what is seen to be erratic and unco-ordinated airport planning in the fast-developing special economic zones in its immediate hinterland.

Hong Kong has openly voiced worries that China might in future try to usurp its role as a major international air traffic centre by diverting airline traffic to mainland airports.

The recently signed Sino-British agreement which provides a blueprint for the return of Hong Kong to Chinese

sovereignty in 1997 sought specific assurances that China would not "poach" air traffic, but worries over Peking's intentions remain.

The Hong Kong Government revealed yesterday that officials from the civil aviation authorities of Hong Kong and China met secretly in November at China's request to discuss plans for an international airport in Shenzhen, close to the Hong Kong border.

Apart from discussing the implications of building a new airport so close to Hong Kong's Kaitak Airport, which is one of the busiest in Asia, China also asked Hong Kong to help in the "selection and briefing" of consultants.

Hong Kong refused the request two weeks later, claiming that China might in future try to usurp its role as a major international air traffic centre by diverting airline traffic to mainland airports.

It said the decision to build an airport close to Hong Kong was "entirely a matter for the relevant Chinese authorities."

but complained that the site chosen, in Deep Bay north-west of Hong Kong, was "not compatible with existing and planned developments," and would give rise to "unacceptable levels of aircraft noise."

Officials in Hong Kong were yesterday unable to gauge how firm China's commitment was to the Deep Bay site. Two other sites close to Hong Kong have been considered.

Ever since Hong Kong's own plans were abandoned to replace the congested Kaitak Airport with a new airport on Lantau Island, the authorities have implicitly acknowledged that its long-term air traffic needs would have to be met by collaborating with China on a new airport to be built on the mainland.

Meanwhile, however, the authorities have ordered expansion and modernisation at Kaitak that is expected to enable the airport to cope with growing air traffic pressures until at least 1993.

Efforts to make progress in talks on a new airport to serve both Hong Kong and China's

Pearl River delta have been confounded by unbridled competition between the three special economic zones in the area—in Shenzhen close to Hong Kong, in Zhuhai just north of Macao, and in Guangzhou. All have been drawing up plans for international airports, and the central authorities have shown a marked reluctance to enter the ring as referee.

At the moment, Guangzhou has an important domestic airport which handles a little international traffic, while Zhuhai and Shenzhen have heliports.

All three authorities claim to have won central backing for an international airport, but none has yet shown evidence of detailed feasibility studies, or of financial backing. Many officials in Hong Kong feel the order has gone out from Peking that whichever authority can be first to win overseas financial backing for an airport based on a technically sound feasibility study commissioned at its own expense will be allowed to go ahead.

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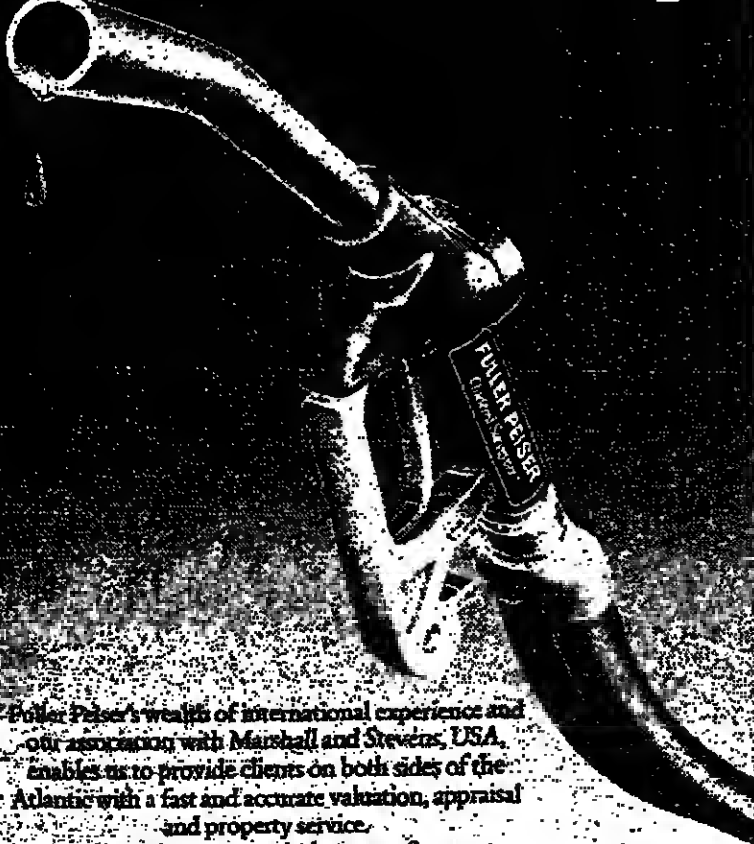
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## AMERICAN NEWS

## Republicans begin talks on spending cuts

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

REPUBLICAN leaders in the U.S. Senate were yesterday due to begin considering their own version of spending cuts designed to reduce the federal budget deficit considerably more sharply than envisaged by the Reagan Administration.

The plan drawn up for the Senate is based on an across-the-board freeze of all government programmes—including defence—except those for the poor, such as food stamps. If fully implemented, according to staff aides, the budget would be balanced by 1990.

The plan's authors admit, however, that many of the measures suggested are controversial and would require tough decisions that may not be taken. The plan includes many of the economies that are likely to be proposed by President Ronald Reagan when he sends his budget to Congress on February 4, and then adds even more politically-sensitive, cost-cutting proposals.

The recommended freeze would include a one-year standstill in cost-of-living increases for social security recipients—

an area that Mr Reagan pledged to leave untouched in his election campaign. There have been suggestions from White House officials, however, that Mr Reagan might in the end accept such a measure if it were clear that it was favoured by Congress.

The White House has said that it welcomes the senators' efforts to try to find ways of meeting the Administration's target of a deficit of about \$100bn (\$27.7bn) by fiscal 1988. The White House has itself proved unable to meet the

target, as a result of its reluctance to make deep defence cuts or to temper social security.

Under the Senate plan, drawn up under the direction of Senator Robert Dole, the new Republican majority leader, the deficit could be reduced from over \$200bn this year to \$150bn in fiscal 1988, which begins on October 1. It would then decline to \$120bn in fiscal 1987 and \$75bn in fiscal 1988, before disappearing altogether in 1990. The plan, however, is being presented as a "menu of options."

## TWA loses court case on pilot retirement

By Paul Taylor in New York

THE U.S. Supreme Court, in a landmark decision on the interpretation of an 18-year-old federal law against age discrimination, has ruled that Trans World Airlines (TWA) broke the law by forcing 60-year-old pilots to retire—rather than transfer to a lower-ranking cockpit job.

The decision is expected to have widespread repercussions throughout the U.S. airline industry, where many airlines face similar court cases, and elsewhere.

The Supreme Court ruled unanimously that TWA, the sixth largest U.S. domestic carrier, violated the law by making it difficult for pilots who reach the age of 60 to downgrade their jobs to the number three cockpit position of flight engineer.

However, the court also handed TWA and potentially other employers, a partial victory by overruling a lower court and deciding that TWA is not liable for double damages as provided for by the law—because the violation was not "willful."

The case, brought by three former TWA pilots, hinges on the attitude airlines take towards ageing pilots. Under a Federal Aviation Administration rule known as the age-60 rule, no one is allowed to serve as a pilot—captain or first officer—on a commercial airline after reaching the age of 60.

Many pilots who do not want to retire at 60 seek transfers to become flight engineers. TWA's policy of not granting a 60-year-old pilot the right to make such a transfer and the Supreme Court objected to this "discriminatory" transfer policy.

## Mexican price index up 59.2%

THE MEXICAN consumer price index rose by 59.2 per cent in 1984, Banco de Mexico, the central bank, reported yesterday. Ronald Campbell, an economist from Mexico City, writes:

The increase fell well short of the 40 per cent target set at the beginning of the year. Equally, however, it marked a sharp fall in the previous year's 80.8 per cent increase.

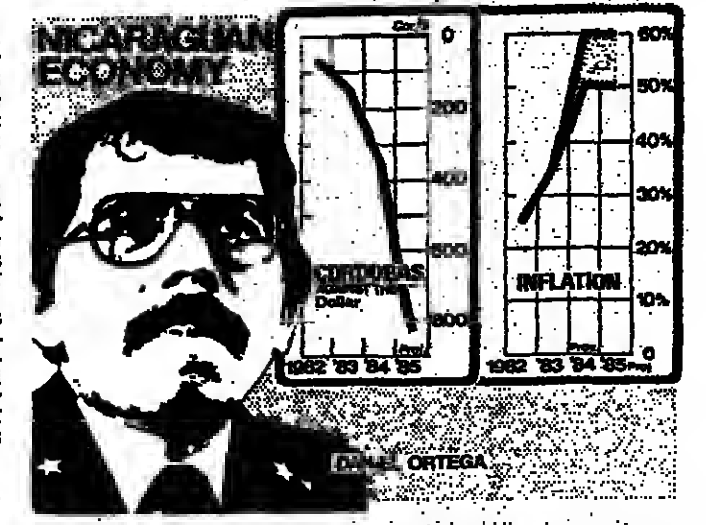
The official labour movement recently accepted a 50 per cent increase in the minimum wage,

## Tim Coone in Managua assesses the financial future Sandinistas face worst year as war takes toll

PRESIDENT Daniel Ortega, who takes the oath today as Nicaragua's Head of State for the next six years, now faces the most difficult year of the revolution started almost six years ago by the Left wing Sandinistas.

The war against U.S.-backed "Contra" guerrillas is taking a heavy toll on the economy. War damage is estimated at \$255m in 1984 alone and inflation is running at an annual rate of over 50 per cent.

The foreign exchange crisis worsens each month and production in many sectors is failing to meet demand. Coffee and cotton, the country's two key export crops are the target of guerrilla fighting and shortages of labour are hitting harvests.



A deficit on the current account to the balance of payments of some \$400m per year is foreseeable for at least another two years, longer if the guerrilla war persists, and Nicaragua's foreign debt now stands at around \$4bn, with the first principal payments from the 1980 debt renegotiation due this year.

The Government has no hope of meeting its obligations and a further renegotiation will be necessary. Until the war ends, one senior official said, "there is no solution to the economic problem. There are only remedies to alleviate the worst effects."

The Government is expected to put forward a package of economic measures shortly to try to resuscitate the flagging economy. Already a new economic Cabinet has been set up and Mr Ortega is expected personally to exert much greater control over economic affairs.

The former Minister of Finance, Sr Joaquin Cuadra, has taken over at the Central Bank, indicating that tighter control will be exercised over the fiscal deficit in 1985. Sr Ortega also said in his New Year speech that there would be greater incentives for production workers, an adjustment of salaries partially to compensate for the fall in living standards, and an emphasis on efficiency in state enterprises.

list Sandinistas is the widening breach between salaried workers and the self-employed. A considerable advance has been made over the past year to bring some order to wages policy, with most occupations classified with a fixed rate set for each job.

The system has, however, produced gains in the middle and higher income brackets and a freezing of salaries in others, leading to an inability to attract labour to the sectors most in need. Salary scales are therefore to be raised this year, according to Sr Benito Mendez, the Labour Minister.

Higher wages will cut across plans to introduce the foreign investment law which the Sandinistas included in their electoral programme last November. A devaluation of the Cordoba is therefore likely early in the year along with a reduction in the 14 different exchange rates for the currency.

If new finance is not forthcoming from the West, relations with the Communist bloc are expected to strengthen. It is not insignificant that Sr Henry Ruiz, the former planning Minister, is to head the new Ministry of Foreign Co-operation, for he has been responsible for most past negotiations with Comecon countries.

A tough stance on debt renegotiation is also likely. The new Vice-President, Dr Sergio Ramirez, when asked about relations with the U.S., said: "Very good, they're not losing, we're not paying."

## Model likely to move to Interior

By Nancy Dunne in Washington

PRESIDENT Ronald Reagan is expected to continue the musical chairs process under way among his Cabinet by naming Mr Donald Model, the Energy Secretary, to succeed Mr William Clark, as Secretary of the Interior.

Administration officials said yesterday that the announcement of Mr Model's appointment may be accompanied by the naming of his successor at the Energy Department. The President is also reportedly considering an eventual merger of the Interior and Energy Departments with Mr Model at the helm of both.

However, government reorganisation must be approved by Congress which traditionally hates to eliminate any departments. In the meantime, an Energy Secretary will be required and the President is reportedly considering the appointment of Mr John Herrington, his personnel chief at the White House, as an interim secretary until a merger is effected.

Within the White House Mr Model, at 49, has been considered a natural replacement for Mr Clark—a fellow Westerner who has also served the President in various capacities over the past two decades. Mr Model served as Interior under Secretary under Mr Clark's predecessor, Mr James G. Watt.

Like both of the Reagan Interior appointees, Mr Model favours a speed-up of natural resource development on public land and an easing of restrictions which protect the lands from exploitation. At the Energy Department, he has been an advocate of nuclear power and accelerated energy development.

## U.S. jobless rate rises slightly

BY OUR WASHINGTON CORRESPONDENT

U.S. EMPLOYMENT continued to expand in December, although the seasonally adjusted unemployment rate rose only slightly to 7.2 per cent from a revised 7.1 per cent in November.

The U.S. Labour Department said yesterday. Despite a slower rate of job creation in the second half of last year, the civilian labour force grew by 3.2m in 1984. The department estimates that 340,000 new jobs were created

In December with a surprisingly strong 44 per cent of them in manufacturing.

Unusually good weather last month helped produce 55,000 construction jobs. Factory jobs rose by 55,000, with 25,000 more jobs, the largest gain, in automobile manufacturing.

However, 8.2m Americans were still looking for work last month and five industries still had lower employment levels than were recorded at the recession low in November 1983—mining, steel, tobacco, petroleum and coal and leather.

The number of "discouraged workers"—those who say they would like jobs but are not looking because they feel they cannot find work—remained at 2.2m last month. Blacks, who received a 15 per cent unemployment rate—comprise the largest share of discouraged workers.

lens its weight to the negotiations between shipbuilders and their creditors in an effort to convince the banks to reduce penalty charges, commissions and the current value of the debt corrected for inflation, Sr Freitas said. The portion of the total debt due foreign banks is reportedly \$110m.

Payments on the outstanding loans were suspended two years ago, when Sunman ran out of funds. The more than 30 banks involved have been pressing the Government to conclude negotiations before the new Government takes over in mid-March.

Settlement of the debt has been a drawn-out issue, in part because of poor administration and records from Sunman and confused accounting in a few of the shipbuilding companies. Bankers are hoping that the Government would assume more of the debt so that re-scheduling payments with the shipbuilders could be avoided.

## Government to pay part of Brazilian shipbuilders' debt

BY ANN CHARTERS IN SAO PAULO

THE LONG-RUNNING controversy in Brazil's shipbuilding industry over who is responsible for \$545m (\$478m) overdue loans borrowed by seven shipbuilders from Brazilian and foreign banks with the backing of Sunman, the Government's national superintendent of the merchant marine, is nearing a conclusion.

Sr Jose Carlos Dias da Freitas, the secretary-general of the Ministry of Transport, who presides over a council created to determine the extent to which Sunman was legally responsible for helping the shipbuilders obtain bank financing, stated that the Government will authorise payment beginning next week on part of the debt contracted by four of the seven shipbuilders.

Of the \$116.9m in loans to the four shipbuilders—EBM, Verolme, McLaren and Caeco—the Government has recognised slightly more than \$81.8m as legitimate obligations. The

figure will go higher because Brazil's shipbuilding industry owes an increase from \$10.6m of its \$23m in loans originally considered legitimate.

Sr Freitas indicated that negotiations with Brazil's second and third ranking shipbuilders, EMAQ and Ishibras, could be concluded this week as well, but that the settling of accounts with CCM/Maua, Brazil's fourth largest shipbuilder, would take at least several more weeks. CCM accounts for roughly \$240m, nearly half of the outstanding debt, having undertaken the construction of the largest number of new ships years ago.

The difference between what the council in the Ministry of Transport has to pay and what the shipbuilders individually owe the banks is a matter for direct negotiations between the banks and the shipbuilders, according to Sr Freitas. He says the "debt is not ours."

The Ministry, however, will

## WORLD TRADE NEWS

## Eurospace proposes \$22.5bn programme to last 15 years

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

EUROSPACE, the European consortium of over 60 companies and other organisations involved in space manufacturing, has proposed a 15-year, \$22.5bn (\$20.5bn) industrial space development programme to European governments.

The proposal is being considered at a meeting in Rome at the end of this month, when ministers of the countries involved in the European Space Agency meet to consider that body's own future space programmes.

The Eurospace programme, which would cost an average of about \$1.5bn every year for the 15 years envisaged, is broadly similar to that already proposed by the ESA for its future activities.

"This is not by chance but due to the fact that ESA and Eurospace are faced with the same necessities and that constant exchanges of views, ideas and information have taken place," says Sr Fournier.

In other words, excellent collaboration has developed

between the two organisations over the past few years.

The Eurospace proposals include the continued development of the Ariane satellite launcher, with new cryogenic engine development of Hermes (a manned European shuttle which could be launched into space by Ariane and would return to earth like an aircraft); further development of the Spacelab manned orbital workshop; and development of the Columbus space station.

The space station was designed initially to be part of the proposed U.S. manned space station but eventually with new elements forming an autonomous European manned space station.

Other elements of the long-term package include development of manned orbiting platforms for a wide variety of tasks and continued series of earth observation, telecommunications and scientific satellites of various kinds.

Eurospace claims that its proposals should enable European industry to capture some 15 per

cent of the world market in space activities of all kinds in the years ahead, or averaging about \$7bn a year.

A new package is essential, says Eurospace, because of the ending of the first major 10-year ESA programme.

"In the major European countries which run national space programmes, and which exploit space systems communally on a national level, the continuity of industrial workloads is threatened, although not yet seriously affected, by the relative decline in ESA budgets."

Eurospace says that its programme, the implementation of which would be entrusted to the ESA, "is considered indispensable if Europe is to preserve its independence in space, while enabling it to act as a credible partner working in close co-operation with the U.S. and other countries."

"European industry has shown that it is capable of undertaking such a programme."

## Brazil, EEC in talks on steel next week

By Andrew Whitley

AFTER NEARLY three years of hesitation and delays, Brazilian negotiators will sit down with EEC officials in Brussels next week to discuss a voluntary steel export restraint agreement.

Failure to achieve an agreement could lead to the extension of anti-dumping and anti-subsidy suits against Brazilian steel entering the EEC.

The volumes involved are relatively small—Brazil's exports to the EEC last year only amounted to 3 per cent of the 8m tonnes it exported worldwide—but the negotiations are expected to be difficult.

The EEC is believed to be seeking a restraint agreement on the lines of that concluded by Brazil last month with the U.S. its major steel customer.

Under this pact Brazil agreed to limit for the next five years its exports of finished products to 0.8 per cent of the U.S. market—equivalent to 800,000 tonnes a year—and was permitted to ship a further 700,000 tonnes of semi-finished products.

## Cool reception in U.S. for Japan's home computers

BY LOUISE KEHOE IN SAN FRANCISCO

JAPANESE personal computer makers have arrived in the U.S. too late to take advantage of the fast-fading home computer boom.

The long-feared invasion of the U.S. by low-cost Japanese home computer makers finally happened this week with the display by a dozen Japanese firms of MSX models at the Consumer Electronics Show in Las Vegas.

More than a year later than expected, and after their introduction to Europe, the Japanese computers were given a cool reception. U.S. manufacturers used to fear that the Japanese consumer electronics successes of the calculator, digital watch, television and VCR markets would be repeated in home computers, but this is unlikely to happen.

The MSX computers are "too little, too late," said industry analysts. "U.S. consumers are no longer willing to settle for low-performance game-playing computers," said Mr Egu Juliusson, chairman of Future Com-

puting, a market research company.

The Japanese groups, including Sony, Yamaha, JVC, Hitachi, Sanyo, Casio and Matsushita, declined to say when, or even if, their products will become available in U.S. shops. However, Microsoft, the U.S. software company that created the MSX operating system used in the Japanese machines, predicts that more than 200,000 units will be sold in the U.S. next Christmas.

© Samsung Semiconductor and Telecommunications of South Korea has developed a 256 kilobit dynamic random access memory chip which it plans to begin marketing worldwide in April. Reuters reports from Seoul.

The company tovested Wong 180bn (\$188m) in a plant, scheduled for March 1985, completion, capable of annual production of 60m of the chips.

South Korea will become the third 256k chip producing country after the U.S. and Japan, as a result of the project.

## OECD reduces export credit rates

By Christian Tyler, Trade Editor

THE RATES that exporters of capital goods must charge when offering fixed interest subsidised credit to their customers are to be revised downwards from January 15.

The fall in rates, worked out by member nations of the Organisation for Economic Co-operation and Development, is the result of a new semi-automatic adjustment formula agreed 15 months ago. It reflects the decline over the past six months in the official exchange rates for the five SDR currencies.

From next Tuesday, and subject to official confirmation, the minimum rate for medium and long-term credit extended to the poorest nations will fall from 10.7 per cent to 9.85 per cent.

For two-to-five-year loans to "intermediate" countries, the rate falls from 11.55 per cent to 10.7 per cent, and for loans of five years and more from 11.9 per cent to 11.2 per cent.

The equivalent figures for officially-supported exports to the richer nations will be 12 per cent (13.35 per cent) and 12.25 per cent (13.6 per cent).

The fall would have been greater but for a clawback agreed at the last substantive OECD negotiation, when the U.S. and other anti-subsidy nations sought to reduce the gap between the so-called Consensus and commercial interest rates.

As a result, the rate for poor countries is 0.5 percentage points higher than market movements would have suggested, and for intermediate countries 0.65 points.

The clawback, originally due to be phased in before July next year, is being taken all at once because of the large fall in commercial rates over the past six months.

While the issue of subsidised credit rates has largely been settled by the automatic mechanism, there is still controversy between OECD members about the use of mixed credits where government aid money is combined leading to softer credit terms for developing country capital project business.

## David Buchan on a meeting designed to cut exports red tape CoCom bids to ease China curbs

SENIOR officials from the 15 member governments in the Paris-based Co-ordinating Committee (CoCom), which vets sensitive Western exports to communist countries, are to meet next month to discuss ways of cutting the licensing red tape that is increasingly hampering their countries' high technology sales to China.

The meeting in Paris will be the first high-level CoCom session since committee members—Nato countries minus Iceland but plus Japan—redrafted last autumn their embargo list to include the latest in sophisticated electronics, computer, robotic and telecommunications technology thought to be of possible military use.

Formally, the CoCom embargo list still applies as much to China as the seven Warsaw Pact members, Vietnam, Mongolia, North Korea and Albania. However China with its growing political and commercial receptiveness to the West is receiving nonetheless increasingly favourable treatment from CoCom members, particularly the U.S.

The key problem, which U.S. Commerce Department officials say they want addressed at next month's session, is that some 70-80 per cent of requests being filed for "exceptions" to the CoCom embargo concerns sales to China, mainly by U.S. companies.

This is causing months-long delays, they complain. So, the U.S. is pushing for CoCom to speed up the rate at which its grants exceptions to the embargo in China's favour.



Zhang Wenjin: complaints about licensing delays

ambassador to the U.S., has also complained of export licensing delays.

The dilemma for CoCom is that Washington does not want to take the easy way out by simply drafting a shorter list of embargoed goods for China.

U.S. officials argue that this would reduce CoCom flexibility to tighten up on embargo exceptions for China, should the West's relations with Peking take a turn for the worse. It would also cause Moscow offence at a time when the U.S. is holding high level economic talks with the Soviet Union for the first time in seven years.

So, the U.S. is pushing for CoCom to speed up the rate at

which its grants exceptions to the embargo in China's favour. Under CoCom procedures, member governments may license exceptions to the embargo either at their national discretion or, in the case of more sensitive items, if all other 14 governments agree.

America's partners in CoCom have not in fact been blocking U.S. requested "exceptional" sales to China. Indeed for years it was the U.S. that cast its veto on their sales to China. Some European companies, particularly in Britain, have alleged that the Reagan Administration's abrupt change in late 1983 its export licensing attitude to China in such a manner as to let U.S. companies steal a march on them in the Chinese market.

However, allied governments seem to agree that CoCom needs to deal with the problem caused by the flood of U.S. export applications for sales to China. In 1983 the U.S. Commerce Department received 4,015 U.S. export licence applications for China. However, following announcement of liberalised licensing, it received 8,869 applications in the first 11 months of last year.

Many of these required allied approval in CoCom, so that last year the U.S. submitted to the Paris body as many as 3,122 applications for "exceptional" sales, 89 per cent of them for sales to China. In 1982 the U.S. submitted only 1,150 exceptions

requests to CoCom, and only 54 per cent of them were for sales to China.

As a result of this overload U.S. companies often have to wait six to eight months to get an export licence for China. U.S. officials suggest that the answer is for CoCom member governments to be allowed to license more embargo exceptions for China at their "national discretion" than they can for other Communist destinations. However, other issues at next month's CoCom session may get tangled up with the China problem.

The U.S. Defence Department apparently wants to raise again its proposal that CoCom, presently composed of middle level diplomats and technical experts supported by a tiny multinational staff, should be given a military secretary, given a military pronouncement on the military potential of industrial technologies.

This idea was shot down a couple of years ago by the Europeans and Japanese, who feared that it would upset CoCom's delicate balancing act between political, strategic and trade interests.

The one proposal which is likely to be agreed without dispute in Paris next month is to make the CoCom embargo list subject to a "continuous review." Hitherto, CoCom has updated its list every three years.

## Oil found in South China Sea

BY DAVID DODWELL IN HONG KONG

A U.S.-Italian oil exploration venture, known as the ACT group, has found a certain amount of oil in the South China Sea. Officials do not yet know whether the strike will be commercially viable, but it provides a significant boost to the U.S. oil industry.

Since oil exploration began in earnest along China's southern coast about two years ago, there have been just two previous strikes—a gas find and a modest oil discovery. Early hopes of major discoveries have been scaled down as exploration companies have drilled dry holes in what they thought would be the most promising areas.

Because of these disappointments, China's National Offshore Oil Corporation (NOC) is expected to relax the terms under which oil companies will be allowed to search for oil. Only 26 groups are understood to have applied to bid—compared with 33 when the first round of bids was invited two years ago.

Mr Richard Stallings, chairman of the ACT venture, said in Guangzhou yesterday that the group had found the oil while drilling in the Huizhou fracture, southeast of Hong Kong. He said evaluation was in progress, and that a statement could be expected around the end of January.

The company, a joint venture between Agip of Italy and Chevron and Texaco of the

U.S., is drilling with a Chinese partner, the Nanhai Oil Company.

According to oilmen returning from Huizhou, oil was struck two weeks ago. Some of it is being brought to the surface and flared for about six hours a day, they say. Officials from the ACT group are reported in China as claiming that the oil zone that has been struck is about 100 metres deep—enough to sustain a commercial well.

Over the past year, 27 companies have been exploring off China's coast. Only Atlantic Richfield, which struck gas south of Hainan Island, and Exxon, which is drawing 3,200 barrels of oil a day from a well drilled in the Pei River Basin, have made worthwhile discoveries. Total China, which began

## HK insures larger volume of exports

THE Government-owned Export Credit Insurance Corporation (ECIC) insured goods worth HK\$4,900m (\$631m) in fiscal 1984, up 20 per cent from a year earlier, Mr Eric F. Ho, the territory's secretary for trade said, AP-DP reports.

Mr Ho told Hong Kong's law-making legislative council that the ECIC issued 4,900 policies in fiscal 1984, 128 more than in the previous year. He said about 60 per cent of those policies were issued for exports bound for Europe while about 21 per cent were issued for North America-bound goods.

The ECIC offers exporters insurance against the risk of non-payment by overseas clients for Hong Kong-made goods and services sold on credit.

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## UK NEWS

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\* Unix is a trademark of AT&T Bell Laboratories

## Hong Kong group to make yarn in Ulster

A HONG KONG company, the first to set up in Northern Ireland, is to create 80 jobs in a linen yarn spinning operation near Belfast. The Cha Organisation, an international manufacturing and trading group, will begin production shortly in a vacant mill at Doagh, County Antrim.

Although small, the investment is an encouraging reward for the Northern Ireland Industrial Development Board. It has been seeking to attract Far Eastern industrialists to the province and in November it signed up its first Japanese factory. The new company, Texlin Yarns, will export most of its output to the Far East and Europe, where it will be woven or knitted for a range of garments for the U.S. and Japanese markets.

TIGHTER rules are to be issued by the Government on the use of methyl isocyanate, the chemical involved in the explosion at Bhopal, India, late last year in which 2,500 people were killed.

Mr Ian Gow, Environment Minister, told the House of Commons that the chemical was stored at five industrial sites in the UK. All locations had been inspected and declared safe. A wide-ranging inquiry was being undertaken into the siting of plants manufacturing and storing toxic materials, he added.

THORN EMI has had a major success in attracting new finance for making British films. A new film fund launched in December has already raised most of the money it needs.

Ten British financial institutions, only two of which have invested in films before, have come close to meeting Thorn Screen Entertainment's target of £10m. The company will not say exactly how much money has been raised but the response has been so encouraging that Thorn plans to top up the fund itself to ensure that it goes ahead.

THE GOVERNMENT is considering legislation to curb local authority spending on "political propaganda" Mr Kenneth Baker, the Local Government Minister indicated in the House of Commons.

He described as "scandalous" the level of council spending on political publicity including £10m by the Greater London Council and £5m by the six metropolitan county councils.

ROLLS-ROYCE is challenging a £600,000 VAT bill on a £3.9m (£4.5m) aero engine which it exported last autumn and brought back to Britain for minor repairs.

It says that new VAT regulations make no allowance for goods brought into Britain for repair or processing even though the goods are not for sale in this country.

HOUSE prices in the UK rose at a faster pace last year than in 1983 according to the Halifax, Britain's largest building society. The society's house price index went up by 8.1 per cent compared with 7 per cent the previous year.

DAIMLER-BENZ of West Germany was yesterday named winner of the 1985 European Truck of the Year for its 132 axle 11.1 tonne lightweight delivery vehicle. The award was made in the UK by a panel of 13 European commercial vehicle journalists.

CONSUMER protection laws being proposed by the European Commission could lead to higher prices and less choice in the shops, the Confederation of British Industry and Advertising Association said.

The two bodies are concerned about a number of new proposals including laws on product liability, consumer credit, door-to-door selling and contract terms.

MOST CONSUMERS are gloomy about economic prospects for the UK in general, but optimistic about their own rise in living standards this year, a survey by Marketing magazine says.

## Seizure expected of miners' funds in Luxembourg

BY PHILIP BASSETT, LABOUR CORRESPONDENT

LEGAL SEIZURE is expected shortly of the £4.6m funds of the National Union of Mineworkers (NUM) which are held in a Luxembourg bank.

The seizure will be a further blow to the union's attempts to sustain its 10-month strike. Another 305 miners are said by the National Coal Board (NCB) to have abandoned the strike yesterday, bringing the total this week to about 2,000.

The NUM's executive will meet in Sheffield, Yorkshire, today to consider calls both for a resumption of negotiations with the coal board and for the expulsion from the union of its Nottinghamshire area, which has mostly worked through-out the dispute.

Mr Michael Arnold, the receiver appointed by the High Court to take control of the NUM's funds after the union's failure to pay a £200,000 fine for contempt of court, is expected to announce soon that efforts to obtain the £4.6m moved by the NUM to Luxembourg have finally been successful. The money is deposited with Nobis Finanz International.

Mr Arnold, senior insolvency partner in the chartered accountants Arthur Young McClelland Moores, has been working closely over the past few weeks with the High Court-appointed sequestrators, Price Waterhouse, to try to obtain the money - which amounts to half the NUM's total worth.

The receiver previously appointed by the court, Mr Herbert Brewer, a solicitor, ran into legal difficulty when he attempted, to reclaim the money.

Seizure of the funds, which reached Luxembourg through a lengthy and secret process via the Isle of Man, Dublin and New York, will be an important psychological and practical blow against the NUM leadership.

Working miners' leaders feel that the payment of the NUM's contempt fine, which would occur as soon as the funds are obtained, and the seizure of the funds themselves, are likely to accelerate the return to work. The fine was imposed on the union for defying injunctions not to call the strike official.

The working miners are also to hamper the seizure of funds by likely to hamper picketing activities.

THE FORD Motor Company could become the first car manufacturer to be hit by a dispute arising from the miners' strike, David Goodhart writes.

Ford management has approached the unions at its biggest works at Dagenham, east of London, because it wants to bring in fresh supplies of coal which have been formally blocked by the joint works committee since the start of the strike.

A crucial recommendation was that for every higher page over 157 40-page plus issues, the 25 NGA machine managers should receive an extra two shifts, and the 78 Sogat machine assistants should get 180 a night - the equivalent of one extra shift.

This formula has a built-in problem. Because Sogat was offered money and the NGA shifts it was set to undermine a 12.5 per cent differential between the skilled NGA members and the semi-skilled members of Sogat.

In August 1983 that was not considered a problem because it was believed that a Joint Press Agreement would be negotiated and iron out such problems. But no agreement has so far resulted and the FT "downgraded" to avoid the differential problem.

N. Sea blocks attract 52 cash bidders

BY DOMINIC LAWSON

THE GOVERNMENT said yesterday that 52 companies had put in cash bids for blocks auctioned in the ninth round of North Sea licences.

Some surprising names have cropped up in the list supplied by the Department of Energy, which refuses to specify the successful bidders or the size of the individual bids.

It is believed that the Japanese company Sumitomo has made its North Sea debut, with a successful bid of £11m jointly with Conoco and Enterprise Oil, for the block 9/6B which lies next to the Bruce oil field.

One of the most sought after blocks, 18/18C, is believed to have gone to a £18m bid, offered by a consortium comprising Marathon, Clyde Petroleum, Burmah Oil, and Transworld Petroleum. An unknown consortium has bid £25m for the auction block 15/8B. The most likely bidder is thought to be Shell, since it operates the nearby Galley oilfield.

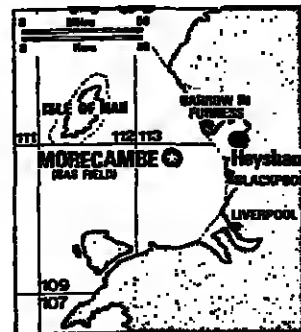
The Government will not be announcing the successful bidders until the end of the month. Yesterday it also gave the names of the 134 companies that applied for discretionary blocks, in which no cash is offered, and the Government can award the blocks as it chooses.

Marathon Oil yesterday announced that it has found more oil in its North Sea block 16/7A. The well flowed light oil at rates between 1,000 and 4,228 barrels per day.

The UK companies Britoil and Sovereign Oil are also involved in the discovery, which lies close to the block 18/8B, for which Marathon has just led a successful ninth round bid of £18m.

On the other hand, the corporation said, the overspend was not exorbitant, compared with those of some other energy projects of a similar scale. The corporation also failed by only eight days to bring the first Morecambe gas shore in 1984, as it had forecast in 1980.

British Gas emphasised the project's impact on the economy: some 80 per cent of the work had been carried out by UK companies and 100 per cent of the fabrication of offshore structures was handled in British yards.



## JOBLESS 'MORE LIKELY TO BE ILL AND DRINK HEAVILY'

## Unemployment taking a heavy social and financial toll

Reports by Robin Pauley

UNEMPLOYMENT is beginning to have serious social as well as financial implications for the 3.1m people in Britain without jobs. They are more likely to be ill and more likely to drink heavily, according to the Government's own statistical evidence.

The 1985 edition of Social Trends, the Central Statistical Office's annual compilation of the changing pattern of British life, shows unemployed men aged 45 or over are more likely than working men of similar ages to report long-standing illness.

The report says that part of the problem may be that the chronic sick may be more likely to lose their jobs or that the experience of unemployment itself is leading to ill health.

Although unemployed men have much less money than working

men, they are more likely to be heavier drinkers in all age categories. Heavy drinking is particularly prevalent among the unemployed in the 25 to 44 age group, where 43 per cent of men drink a lot compared with 28 per cent of working men. On the other hand twice as many unemployed men in the 18 to 44 group abstained from alcohol as working men.

There has also been a rapid increase in drug taking, although there is no breakdown between working and unemployed people. The number of new narcotic drug addicts notified to the Home Office more than quadrupled between 1976 and 1983. Between 1982 and 1983 alone the number rose 50 per cent among the young. The proportion of drug addicts on heroin has

continued to rise steeply each year, reaching 85 per cent in 1983.

Suicide has also been rising. The total of 5,000 in 1983 was a fifth up on 1975. Many more men than women take their own lives.

By April this year nearly a fifth of all unemployed men had been out of work for between one and two years and a further quarter had been without work for more than two years. The number of benefit claimants who had been unemployed for more than a year increased 15 per cent between April 1983 and April 1984, whereas total unemployment rose only 2 per cent in this period.

A quarter of young unemployed men between 16 and 24 had been unemployed for more than two years and another 37 per cent had been without work for between one and two years in April 1984. Social Trends, 1985 Edition, HMSO £19.95.

## Population rise of 1m forecast

THE UK population is expected to start growing again shortly with the result that, after several static years at 56.3m people, it will reach 57.2m by the turn of the century.

After years of a falling birth rate which left the average number of children in a family at under two - too low to replace fully the losses through migration and death - the average is expected to return to about two, according to the Social Trends report.

About 90 per cent of the population live in urban areas even though there has been a substantial movement out of the big towns and cities since the early 1970s.

Throughout Europe population growth since 1970 has generally been small with a few notable exceptions - the Netherlands up by 9.1 per cent and France and Italy both by more than 5 per cent. The U.S. population grew by 13.3 per cent over the period to 1983 and Australia's by nearly 20 per cent to 15.4m. There are two Australians and 25 Americans per square kilometre compared with 231 people in Britain, 320 in Japan and 352 in the Netherlands.

The number of new residents in Britain continued to increase, rising from 106,000 in 1973 to 202,000 in 1983. Fewer came from

the old Commonwealth and more from Bangladesh, India and Pakistan.

Fewer people are marrying in the UK - there were 387,000 marriages in 1982, a drop of 3 per cent on the previous year. Just over a third of all marriages was a remarriage for at least one partner. About 20 per cent of the 162,000 divorces involved at least one partner who had been divorced before (compared with only 9 per cent in 1961).

The proportion of illegitimate births has risen substantially - up from 6 per cent in 1961 to 16 per cent in 1983 - representing a rise from 48,000 babies to 98,000.

## Disposable income up 10%

DURING the decade from 1973 Britons received a smaller proportion of their spending money from work and a larger proportion from social security benefits.

Total household disposable income was 10 per cent higher in 1983 than in 1973 after allowing for inflation, the Social Trends report says. The share of this income represented by income from wages and salaries fell from 67 per cent to 62 per cent in 1979. The share of income from self-employment fell from 11 per cent to 7 per cent. But the share from benefits rose from 9 per cent to 14 per cent.

Among manual workers, coal miners were the highest paid group every year between 1973 and 1983 and agricultural workers were the worst paid.

The number of people receiving unemployment benefit doubled to 1.1m between 1979-80 and 1982-83 and the numbers on supplementary benefit (including the unemployed once their unemployment benefit ran out) rose from 1.2m to 2.6m over the same period.

The report shows that virtually no progress has been made since 1977 in alleviating the "poverty trap," which minimises the effect of pay increases for low-earning families because of rising tax and decreasing eligibility for benefits. In 1977 500,000 people were living in families below the supplementary benefit level (£20.65 a week in 1977 for a married couple). By 1979 the number had fallen slightly to 480,000 but by 1981 it was up to 880,000.

The differentials between the poorest and richest households remain very large. In 1982 the bottom fifth of all households had a net income (after benefits and tax) of £3,220 a year against £12,290 a year for the top fifth.

Housing and land were among the few forms of marketable wealth which kept pace with inflation in recent years. In 1982 the richest 5 per cent of the adult population owned 41 per cent of marketable wealth, but only 24 per cent of all wealth including all pension rights.

During the past decade those people in the UK who managed to stay in employment, surviving the impact of the 1974 recession and the much deeper decline of 1981, saw their incomes and living standards advance consistently.

In 1983 a married man on average earnings had to work for seven minutes to earn the price of a large loaf, a minute less than 1971, and 52 minutes for a pound of rump steak.

A saving of two minutes on 1971. A bottle of whisky took 4 hours 17 minutes to earn in 1971 but only 2 hours 20 minutes in 1983.

More time had to be worked to pay for some items: for example, petrol, beer, cigarettes, and domestic gas and electricity. In money terms £5.7p was needed in 1983 to buy what could be bought for £1 in 1961.

Eating habits are changing: more pork, poultry and margarine are being consumed and less beef, veal, mutton, lamb and butter.

Video recorders have become the great new consumer success story. Some 18 per cent of households had one in 1983, representing about 3.5m machines.

The proportion of households with a telephone rose from 25 per cent in 1964 to 78 per cent in 1984, when more than 22m calls a year were being made, double the 1970-71 total.

Domestic coal-burning fires are still the main contributor to smoke emissions. Cigarette smoking continues to decline rapidly among men and women of all socio-economic groups except unskilled manual women. Only 38 per cent of men and 32 per cent of women smoked in 1982.

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## TECHNOLOGY

EDITED BY ALAN CANE

AGREEMENT ON TECHNICAL STANDARDS IS REACHING A CRUCIAL STAGE

## Ground rules for TV from space

BY PETER MARSH

ELECTRONICS and satellite companies in the U.S. are negotiating agreement on technical standards for the transmission of TV programmes from space vehicles to roof-top aerials.

The first fully commercial service that features direct-broadcast TV from high-power satellites are due to begin in a couple of years. After a period in which several big companies dropped out of the race to begin direct broadcasting, the enterprise still planning services are keen to finalise discussions on standards by the summer.

If agreement is not reached, consumers who wish to tune into broadcasts from the heavens will probably need different receiving equipment to collect signals from different satellites. This could greatly increase costs and destroy a fledgling business before it has time to gain strength.

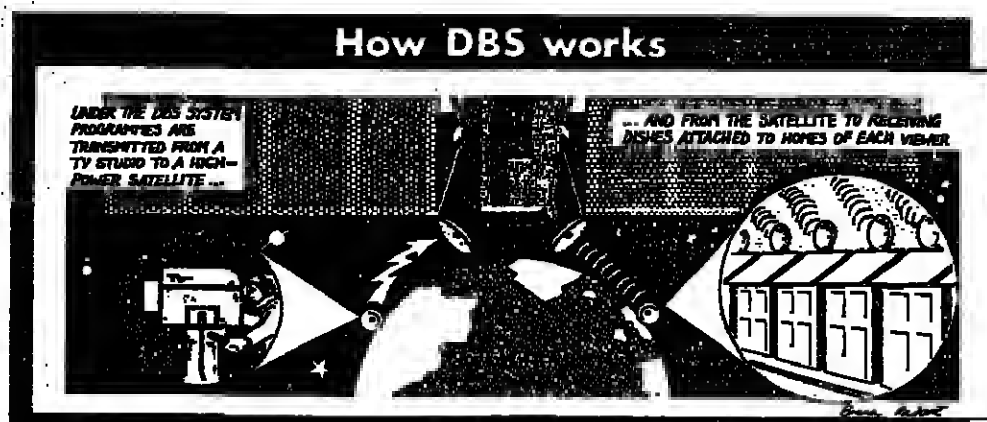
The most urgent requirement is to settle on a standard to characterise the way signals are sent from space and unscrambled in the TV receiver. The satellite and electronics industry has reviewed two contending sets of standards.

The first is based on the NTSC format by which conventional TV pictures in the U.S. are sent. To imitate a standard of this kind would require relatively few modifications to receiving hardware.

But there is some agreement that a more sophisticated format, based on a so-called MAC standard, would be preferable. Signals coded in accordance with such standards lend themselves more easily to digital processing at the receiver. In a MAC format, the chrominance and luminance components of a TV picture are carried in separate signals while under the NTSC regime they are merged together.

A leading contender for the direct-broadcasting standard for the U.S. is a version of the MAC format called B-MAC, proposed by Scientific Atlanta, a maker of electronic receiver equipment. In Britain (where much of the development work on MAC standards took place) engineers favour another form called C-MAC.

Other companies that have proposed various versions of standards include Texas Instruments, Telecast, General Instrument and ANCOM (a joint ven-



THE STANDARD for TV broadcasting by satellite under discussion in the U.S. is based on a chrominance and luminance (MAC) standard, which is being used by the UK direct-broadcasting satellites, due to be launched in 1983 or 1985.

Other European countries such as France and West Germany prefer another type of MAC standard, D-MAC.

The format gaining ground in the U.S., known as B-MAC, differs from the others in the way it encodes audio information. It also transmits pictures in the 525-line standard used in the U.S. as opposed to the 625-line system of the UK.

DVS, a small company in Canada, bought the know-how to produce a MAC format from the IBA in 1982. Dr

ture between Alcoa, the aluminium company, and Nippon Electric of Japan). Mr Dennis Brownlee, chairman of the U.S. Direct Broadcasting Satellite Association, says the "jury is still out" on which standard to adopt. But he says the satellite and electronics industry (which form the membership of the association)

Keith Lucas, a leading IBA engineer, subsequently joined the company. Later Scientific Atlanta of the U.S.—which is leading the campaign for B-MAC—the official American standard—took a controlling interest in DVS.

In a MAC format, information about both the colour content of a picture (chrominance) as well as the black and white element (luminance) is squeezed into one channel of a radio signal by time-division multiplexing. The two sets of information are inserted into different "packets" of analogue-coded data that are transmitted in pulses using the same frequency.

Audio signals can also be sent sequentially along the same channel by putting them into similar packages.

The system breaks with conventional techniques for transmitting TV, which use frequency-division multiplexing. In these standards (PAL and SECAM in Europe and NTSC in the U.S.), the frequency of a radio channel is subdivided, by mechanisms such as harmonic locking oscillators. These subdivided channels carry information about chrominance and

casting, one of three companies with definite plans to launch direct-broadcast TV vehicles.

The company is due to orbit its two satellites, to be built by RCA, in 1988.

First into the fray is likely to be Dominion Video Satellite Corporation, which plans to beam to homes from 1987. The third contender is Satellite

luminance.

MAC formats offer several advantages. As the chrominance and luminance signals are sent in their own separate data packets, the technique reduces the risk of "cross-colour" effects.

MAC is more suited to digital processing of the receiver. The MAC process is thus better matched to modern electronic equipment, which by computer processing techniques may be required to perform a variety of tasks (for example, to unscramble a coded signal or to route the transmitted information to a computer) besides displaying a picture to a viewer.

A MAC standard is also appropriate for satellite broadcasting. With this type of broadcasting hardware, engineers seek to keep to a minimum the power levels of transmitted signals. Extra power means heavier, bulkier equipment—which increases the costs of the satellites. The MAC technique lends itself to frequency modulation, which requires less power than the amplitude modulation generally employed to code TV broadcast terrestrially.

Television, a subsidiary of Comsat.

Direct Broadcast Satellite Corporation, a fourth company, has placed orders with Ford for two satellites due to enter orbit in three years. But it has encountered a snag in obtaining permission from the U.S. Federal Communications Commission to put the vehicle in the geostationary orbit 36,000 km above the earth. The enterprise has until April to satisfy the commission on the financial arrangements for running a full scale service.

Several other companies have told the FCC they would like to start satellite services. They are Hughes Communication Galaxy, Satellite Syndicated Systems, National Christian Network, Advanced Communication Corporation, Satellite Development Trust and National Exchange Corporation.

Among the concerns that after announcing plans to begin TV-satellite services, have pulled out of the race are CBS, Graphic Scanning and Western Union.

The rest of the receiver equipment—a "black box"—to unscramble signals plus a dish aerial about 60 cm in diameter—will be a crucial factor in determining how many people decide to receive the signals. Industry observers think the hardware will initially cost \$300 to \$600.

The FCC has an important role in assigning to the satellite companies specific locations for their vehicles. Under an international agreement, the FCC has at its disposal eight positions in the geostationary belt that serves North and South America. From each position, one or more satellites can radiate up to 32 channels of TV.

The most popular sites are the positions that serve the central areas of the U.S.—at latitudes 101, 110, 119 and 148 degrees West. Places in these sites have been snapped up by Dominion, U.S. Satellite Broadcasting, Satellite Television, Hughes and Direct Broadcast. (The latter two companies have reservations pending final orbital assignment.) There is still room in these locations for further satellites—while the other U.S. positions, at 61, 157, 166 and 175 degrees West, are currently vacant.

## ARTIFICIAL INTELLIGENCE

## 'Decision robot' comes a step closer

EXPECT a rush of expert systems to solve all sorts of problems in 1985. These computerised decision aids are coming out of the laboratory and finding their place in the business world.

One of the more interesting UK products is PDS—the Priority Decision System—developed by Work Science Associates (WSA) of Highgate, London.

It combines the notion of a decision support system—which delivers up useful information in useable form—with the basic expert system idea of artificial intuition.

According to WSA no computer or mathematics knowledge is needed and the system provides answers quickly. It appears to operate by calculating the weighting to be given to different options and by sorting out logical contradictions in arguments.

One manager said: "It's probably not what it's meant for but I use it to save mental energy when time is at a premium. It avoids delays, disputes and a lot of anxieties and pointless arguments."

It costs £294.40 to run on the IBM PC, £294.40 on the Apple II or ILL. WSA is on 01-345 5822.

## COMPUTING IN HOSPITALS

## Appointment making

COMPUTERS have come to the aid of dentists at the London Hospital Medical College. More than 120,000 patients pass through the Dental School and hospital each year which involves a great deal of information which needs to be filed away.

The hospital has installed a network of 47 Torch computer workstations which links the five floors of the buildings. The system is mainly used by students who log into the network each day to be given details of their workloads, patients expected, lecture information and other diary details. This helps a student compile his own patient list and arrange his daily schedule in the most efficient way.

Mr Stuart Morganstein, director of the Dental Auxiliary School at the hospital started looking for a suitable system about 18 months ago and found that most computer networks on offer were "incredibly expensive."

Torch Computers' was cheaper because it is basically a business computer based on the BBC B microcomputer. The installed system was also quickly accepted by students who usually took only one week to obtain a grasp of the computer.

In a week during the operation of the pilot system 250 students made 1,000 appointments on only three terminals then available.

## CONSTRUCTION

## Locating pipes

VIRTUALLY ANY kind of buried service pipe or cable can be located and traced using multi-technique equipment developed by Electrolocation of Bristol.

The idea is to provide engineers and technicians in utilities and municipal authorities, civil contractors and others with a single instrument able to solve location and fault finding problems as fast as possible.

Known as the RD600, the equipment can work at four frequencies (1, 3, 33 and 130 kHz) which it can apply singly

or simultaneously either by direct connection to some point on the pipe, or by induction using a toroidal-roll clamp. Pipes or unloaded electrical cables will radiate the signals which can be picked up by the RD 600. The best frequency for a particular situation is found by a simple test using the portable transmitter and hand-held receiver.

In addition, the instrument can trace loaded mains cables by picking up the radiated 50/60 Hz field. More on 0272 839581.

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## Finance

## Eurobonds dealing in London

IBJ INTERNATIONAL, the London-based subsidiary of the Industrial Bank of Japan, is spending £400,000 on a computer-based Eurobonds dealing system.

Supplied by Holland Automation International, the system will be capable of automatic data entry. This is achieved by a magnetic stylus on a digitised tablet which is provided at each dealer position. The system is run on a fault tolerant computer system to ensure continuous operation.

The dealing system can also transfer information to the bank's central computer. The main computer is linked to a network of more than 30 IBM personal computers which are also linked to a central database.

## Storage

## Computer tape conversion

WITH THE new emphasis in professional personal computing on sending and receiving data from an organisation's mainframe computer, Digidata has announced a half-inch streaming tape drive and controllers which allows users of IBM and compatible personal computers to read, generate and transmit industry standard half-inch tapes on an industry standard 2,400 foot tape reel.

The cost of the system is less than £4,000 and it can unload the entire contents of a 10-million byte hard disk in less than three minutes. More on 0628 29555.

# INVESTOR'S GUIDE TO THE STOCK MARKET

By Gordon Cummings

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## THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

## Making engineering a dream

Feona McEwan reports on the surprising success of a low-budget advertising campaign

PICTURE the scene: young lad looting on hillside, daydreams of the good life to come. Will he be prime minister? An ace tennis player perhaps? Or possibly a brilliant doctor. . . . Beneath the image, the line: "He wouldn't dream of being an engineer, of course."

This press ad and the two that followed from the Engineering Council on a shoe-string budget of £140,000 (peanuts in advertising terms) has drawn more attention than the most enthusiastic adman might have hoped for.

For some reason, engineers have never fared well in the status stakes in the UK. There are those who still think of them as little scientific buffoons or the chaps who fix the phone. Ad agency Wight Collins Rutherford Scott, which devised the recent campaign, found ignorance and apathy rife in its initial research. Few people, it appears, know what engineers do, and even fewer care. In the UK at least, engineering is mighty short on "glamour."

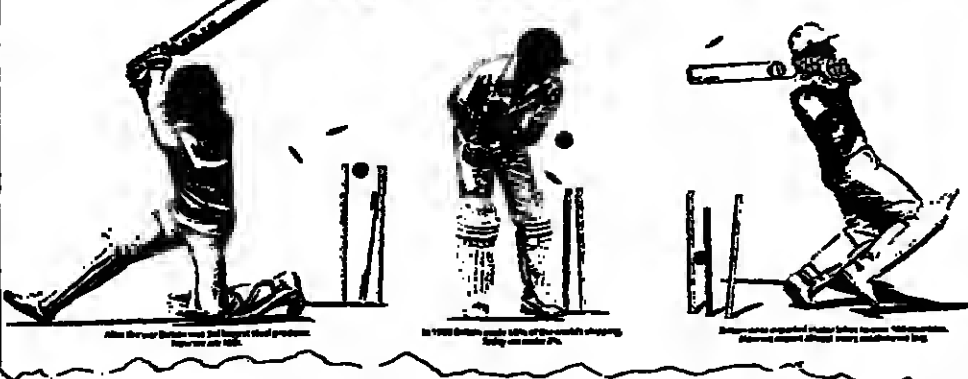
In its regard for the engineering fraternity, the UK lags behind other major industrial powers. In Japan, for instance, which turns out 10 times as many engineering graduates, engineers are said to rank in status alongside doctors and lawyers. The U.S. is similar.

If engineers have been negligent in beating their own drum, the emergence in 1982 of the council (which draws together 51 disparate professional bodies with the aim of promoting and developing the profession and its applications throughout industry and which represents 300,000 practitioners) shows they are at last learning how.

Dr Kenneth Miller, director general of the council, has said: "Most people do not realise how important engineering is to the creation of the wealth of the country and, equally as important, the creation of jobs. Or how seriously our manufacturing base is threatened by the lack of attention paid to engineering and engineers."

Given the low budget available, the campaign went for its impact with three ingeniously devised and quite different ads. Besides the daydreaming boy, there's an ad showing an interior view of Westminster Abbey featuring a marble statue with the line "Why isn't there an Engineers' Corner in Westminster Abbey?" The third ad, part of which is illustrated

Once more the world is beating us at our own game. And it's not cricket.



A section of one of the Engineering Council's three ads

above, shows nine cricketers being bowled out—beneath each, a painful fact recording the UK engineering industry's demise.

All three ads take as their starting point the familiar story of that peculiarly British malaise that historically finds its workers setting the pace by its inventions or its dominance only to lose momentum at the first whiff of competition. Some examples from the cricketers ad:

Britain pioneered the world machine tool industry, now its share is 3.1 per cent; the UK once made all the textile machinery in the world, now it makes 8 per cent; the UK was the world's third largest steel producer after the Second World War, now it's 10th; once the UK exported motor bikes to over 100 countries, now most of what it buys are imported.

Readers of the Times, Telegraph and Observer, were subjected to such facts in the council's short advertising campaign was the first for the profession as a whole and early results are higher encouraging. It was primarily an awareness campaign aimed at alerting opinion-formers of the crisis and of the existence of the council and its aims.

"The response has been beyond our wildest dreams," says Dr Miller who admits to an initial reserve about the execution of the campaign. The office was inundated with calls and letters. "Thank heavens someone is caring," was a typical response.

Though the campaign is only a first crack at the problem, the council is delighted with the response from all quarters government (from Members of Parliament, including Sir Keith Joseph who publicly lauded the effort) educationalists and industry (schools and factories requested posters for display, and career information) and industrialists asked how best they could help.

The council believes its ad campaign and work in stimulating the education of high calibre engineers is essential in the face of the problem involved.

Miller cites "a most telling document" issued last summer from the Institute of Manpower Studies for the National Employment Development Council and the Manpower Services Commission.

Called Competence and Competition, it compared education and training in the UK with major rivals Japan, U.S. and West Germany. "It is a devastating indictment," he says. "Britain came bottom of the league."

One company that recognises the importance of engineers but which has problems locating sufficient top talent is the Jaguar car company, Chairman Hamish Orr-Ewing, who is also a council member, reports that in 1970 the company had an engineering force of around 170. As a major part of its recovery this has been built to 600 now. Yet this is still inadequate when compared with the competition and the company

is seeking to increase its force substantially. The problem is finding enough outstanding engineers.

Another council exercise was the publication of two booklets in 1983, of which the first, Appraising the Technical and Commercial Aspects of a Manufacturing Company, was directed at helping the City to understand the industry and the second Technical Review for Manufacturing, Process and Construction companies, urges companies to undertake regular technical reviews (like financial reviews) assessing the competition, growth of market share, use of technical expertise, strength of engineering force, and so on.

Board account director of WCRS, Claude Keith, reports that the agency's post-campaign research in a sample of 2,400 shows an increased level of awareness of the Council to 37 per cent among readers of the papers concerned and 28 per cent generally. Fifty-three per cent of readers and 67 per cent generally acknowledged a lack of recognition for engineers as compared with sportsmen. Yet around 80 per cent of all those polled regarded engineering and technology as essential to wealth creation and the large majority felt Britain pioneered much and then lost out to competition. On the issue of whether they felt the government backed engineering and technology figures fell, surprisingly, to around 24 per cent.

SEVERAL things happened at once when Gustavo Cisneros, the head of a diverse and wealthy Venezuelan family holding called Organización Diego Cisneros (ODC), decided to buy the department store chain Galerías Preciados from the Spanish government early last month.

By Cisneros's own reckoning the move had provided ODC with a bridgehead in Europe. To judge from the wholesale relief felt by Spanish government officials the purchase of lost control to the investment thing akin to manna dropping from the sky. And as far as Spaniards generally were concerned the prospect of a bruising battle for the high street shopping scene virtually novel experience—generated intense curiosity.

Galerías Preciados consists of 27 large department stores located in all the main cities and is as familiar to Spaniards as the local built-in. More than mere high street landmarks, they were at their best the visible image of Spanish prosperity in the 1960s.

Galerías Preciados began to lose ground to El Corte Inglés, a rival retail chain, in the 1970s. Founder and chief mentor, Jose Fernandez, finally lost control to the investment bank Banco Urquijo and the bank in turn unloaded the increasing Galerías Preciados losses in 1981 to what at the time appeared to be a glittering Spanish private holding, the Rumasa Corporation.

Within 18 months Rumasa, along with Galerías Preciados, which had by that time incorporated the Spanish subsidiary of Sears Roebuck, was appropriated by the Socialist Government on the grounds that the holding was on the verge of bankruptcy. The government set about reselling the Rumasa assets to the private sector, but while other companies in the group were snapped up, Galerías Preciados remained the ugly duckling that nobody looked at twice. Then Cisneros and his group came along.

While some observers talk of the Cisneros organisation taking on seemingly impossible tasks—indeed, those less sanguine than Gustavo Cisneros say that ODC has been given, as the Spanish colloquial phrase puts it, "a poisoned sweet"—Cisneros remains undeterred and plans rapid changes.

Jorge Massa, Cisneros's brother-in-law, is flexing his muscles, studying in detail the Galerías Preciados figure and ordering a succession of market surveys. The re-naming of Galerías Preciados is under consideration; Massa is undecided at present whether the once legendary trade name is an asset or not. He is



One of the Spanish retail group's Madrid stores

## Setting store in Spain

Tom Burns on prospects for Galerías Preciados

certain, however, that the direction the Spanish stores group must take is to emulate what its rival, Corte Inglés, does so well.

"We are a lousy second," says Massa, "and I want first to be a good second."

The Corte Inglés, according to Massa, currently sells on average Ptas 450,000 (£2,200) per square metre a year against Ptas 200,000 (£1,020) by Galerías Preciados. Massa's information is that Corte Inglés is making profits in the region of £25bn (£23.5bn) on a turnover of some £120bn (£102bn)—figures which he claims he could improve on if he was running the rival chain.

Massa wants Galerías Preciados to compete in the same range of goods as Corte Inglés for customers ranging from the "A" to "D" classifications. Corte Inglés carries everything from sophisticated computer software to antiques and from pots and pans and pin cushions to food halls and classy clothes boutiques.

Gustavo Cisneros likens his acquisition of Galerías Preciados to disembarking in Europe. His ODC properties in Venezuela range from supermarkets to television stations and, according to Madrid press reports, accounted for a forecast \$9bn

(£2.5bn) turnover this year. ODC had already penetrated Central and North America and the old continent was the next step.

A highly publicised visit by Cisneros to Madrid in early November, which included an audience with King Juan Carlos and a meeting with Prime Minister Felipe Gonzalez, heralded far more than the Galerías Preciados acquisition. Behind the spectacular purchase, the pomp and the protocol, the picture emerged of a South American tycoon, well-versed in U.S. business lore, elbowing his way into Europe and using Spain, a candidate member of the European Common Market, as a backdoor entrance.

Cisneros, 40, belongs by birth as well by marriage to Venezuela's extremely wealthy elite and was educated in the U.S. He has said that his ambition now is to become "the top retailer in Europe." His brother-in-law, Jorge Massa's mission is to turn Galerías Preciados round within five years.

Buying up Galerías did not come cheap. The sale price has not been disclosed but Cisneros is understood to have committed himself to picking up back tax, social security and pension fund payments owed by Galerías Preciados as well as debts to

suppliers. Cisneros is understood to have paid Ptas 1.5bn (£7.5bn) for a 100 per cent shareholding and a further Ptas 500m (£2.5bn) to cover part of the bank debt accumulated by the stores. The package is said by officials to be in the region of Ptas 2bn (£10bn).

Massa estimates that about Ptas 5bn will now be injected into Galerías Preciados to begin to turn it round. The stores have been losing steadily and increasingly since 1979 and losses in the last financial year represent a record Ptas 6.5bn (£32.5bn) on a turnover of Ptas 58bn (£286m).

The sale of Rumasa assets has been negotiated in the past year by a special Finance Ministry committee with the First Boston Bank acting brokers and sounding out interested parties. In the case of Galerías Preciados, European groups were soon deterred from a possible acquisition by the sheer scale of the challenge. A negative balance sheet. It was not till the summer that officials and brokers started casting around for buyers in Latin America.

By the autumn, Cisneros's group was interested and, fortunately for the Spanish Exchequer, so was a second South American group—the Colombian retail chain, Sociedad Andina de Grandes Almacenes, which has stores in Peru and Ecuador as well as Colombia. The rival bidding was conducted in considerable secrecy.

Part of the current enthusiasm isn't by Jorge Massa. His challenge is that his retail stores have still a long way to go in Spain. Galerías Preciados and the Corte Inglés, as well as smaller, but mushrooming, hypermarket department stores, account for some 7 per cent—less than half the average 15 per cent elsewhere in Western Europe.

For Massa it will be a challenge to spearhead yet another recovery, since he masterminded a similar operation in Caracas when ODC bought up 11 shops of the Venezuelan subsidiary of the Sears Roebuck group a year ago. Though a small operation in comparison with Galerías Preciados, Massa turned it from losses of Bolivars 60m at the time of acquisition in December 1983 to an expected profit this year of Bolivars 30m (£2.2m), changing its name to Maxxi in the process.

Massa denies any suggestion that Galerías Preciados represents a gamble by ODC. Half a dozen top executives of the Cisneros organisation are due to arrive to take up senior roles for at least a five-year period. "We haven't come to Spain to make mistakes," says Massa.

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## An end to wilful discrimination

BY ALAN PIKE

THE YEAR has started less than happily for the Jobs Column's regular curators, my colleague Michael Dixon, who has fallen victim to a winter bug. But he joins me in extending New Year greetings to the column's faithful followers.

How about us all starting 1985 with a New Year resolution that there should be an end to unnecessary discrimination in the field of recruitment?

Some of those worthy anti-discrimination credentials included in recruitment advertisements by self-styled equal opportunity employers are so zealous that they read like a declaration of wilful discrimination against the average citizen. But the problem is real enough.

Michael had something to say about age discrimination last month, in the wake of reports that Hitachi was considering offering payoffs to employees over 54 at its South Wales factory.

References to age discrimination provoke some sombre personal reminiscences from readers of this column. A qualified engineer from Kent writes of how, after a career spanning four jobs in the engineering and construction industries, he was selected for early retirement. He tells of how he now works as a messenger and general assistant for an architectural practice on £4,000 a year.

"The way things are going, we professionals over 45 will only be considered fit to fill

messenger's jobs in banks, insurance companies, estate agents, architects' practices etc.," he writes.

Our correspondent at least has the consolation of knowing that—thanks to another form of discrimination—the qualifications of people considered fit to fill the sort of position he understandably regards as mundane are rising.

I meet school leavers of modest educational attainment who complain that jobs they would normally have sought are being closed to them by employers demanding increasingly high formal qualifications.

Rising youth unemployment has naturally led to more and more young people chasing every available job. Companies often get hundreds of responses to a single advertisement. But I suspect that their demands for O and A level certificates are sometimes more successful at shortening the application list than at producing the best candidate.

One of the most striking experiences of managers running Youth Training Scheme projects has been to watch the same teenagers, who for a complex variety of reasons have not distinguished themselves in the classroom, mature and flourish in a working environment.

Many such young people are being retained in permanent jobs after their year on the scheme. But they would not have been able to make the initial application if YTS

demanded the same formal qualifications from school leavers as some employers.

Good YTS schemes give employers a chance to take personal qualities of potential recruits into account. And there is another group of victims of recruitment discrimination who need powerful personal qualities in order to persevere in the search for work—the disabled.

Disabled jobseekers can expect to remain unemployed for twice as long as the able-bodied. This year there will be a big effort to persuade employers to give disabled applicants a fairer chance. A code of good practice has been produced with the support of the TUC, CBI and Manpower Services Commission, and ministers are reviewing the effectiveness of the legislation under which employers with 20 or more workers are expected to employ a quota of registered disabled people.

Brian Swindell, head of the MSC's services for the disabled, says senior managers are often genuinely keen to give disabled people a fair chance among job applicants. But the recruiting is done at a lower managerial level, where the good intentions go astray.

The code of good practice will be used in a campaign to convince employers that many disabled people are just as capable of normal work as anyone else.

To conclude this list of groups facing witting or unwitting discrimination in re-

ruitment and promotion, a word about a new Women and Work programme being run by Aston University Management Centre in Birmingham.

The initiative, which the university says is the first of its kind in Britain, will offer new training courses, a research programme and an advisory service for women and employers in the West Midlands. Its overall aim is to help women to develop their career potential.

The programme was launched recently at a workshop attended by personnel directors, training officers and managers of private and public sector organisations in the West Midlands. This business audience was told that the relative position of women in top managerial positions is worsening, in spite of a growing female workforce.

"We find that women are frequently not considered for promotion because assumptions are made about their lack of ambition, or inability to progress up to the higher ranks of management. Career paths are therefore effectively blocked," says Jane Skinner, experience programme.

The university launched the programme with a simple message to employers: "Open your eyes to a scandalous waste of resource within your organisation. A human resource—women." This surely is good material for a New Year resolution.

## New Initiative gives work a human face

BY ALAN PIKE

NEW INITIATIVE is a small organisation set up by a group of people who are looking a little further into the future than the end of 1985.

They are trying to encourage the business world to look in new ways at the nature and future of work, and seek means of humanising employment.

The founders of New Initiative are Francis Kinsman, whose book *The New Agenda* provided the initial stimulus for the organisation, Edward Posey, a business consultant and Liz Hosken, a stress-management adviser.

In spite of what the organisers accept is the somewhat unusual and abstract nature of their topic, they attracted a large audience from big companies to an initial seminar at the London Business School, and speakers including John Harvey.

Jones, chairman of ICI and Sir Peter Parker, formerly of British Rail and now chairman of the Rockware Group.

The group has just completed analysing the results of the first seminar, and Mr Posey says it offers considerable support for his belief that industry and commerce must treat the human relations issues of employment far more seriously than in the past. He says he is particularly impressed by the extent to which managers of large companies are, against a background of high unemployment, taking the view that industry has a responsibility to the local community as well as its own immediate employees.

Further seminars are under consideration, and the New Initiative group is considering offering consultancy services to companies.

### Professional recruitment show

PER, the Manpower Services Commission's professional and executive recruitment service, which has to operate on a full cost-recovery basis, has been busy marketing its services around the country. Since September, a PER Roadshow has visited 42 towns and cities and staff have given presentations to representatives

of more than 2,000 companies and other organisations.

There are still critics who say that PER—even though it has to pay its own way—need not exist. But the MSC is determined to continue offering specialist recruitment services among professional and managerial groups, and is aiming for around 9,000 placements in 1984-85.

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### HEAD OF AUDIT

to £23,000 + car. Our client is a major financial institution, seeking a senior manager to head its audit activities, £23,000 + car. The client is a major international bank with a long history of excellence in the management of banking and investment services, with a strong reputation for discretion, integrity, and high standards of service.

### GRADUATE BANKERS

FOR HIGH TRAVEL AUDIT £12-15,000. A number of top UK banks and their Audit functions for two purposes. All to provide high level training and all over the world. The programme is designed to provide a structured programme of training, for many qualified accountants of experience. These range from U.K. accountants to international management accountants, and cover a wide range of corporate finance activities.

Anderson, Squires, Bank Recruitment Specialists  
Blomfield House, 85 London Wall, London EC2

01-588 6644

Anderson, Squires

## Close Brothers

Corporate Finance Age 28-35

We are looking for an outstanding executive (director designate), with particular experience of UK mergers and issues, to help in the expansion of this side of our business. The work is varied and demanding and offers front-line responsibility with our clients, which are typically medium-sized, owner-managed businesses.

The likely candidate will probably be a graduate accountant or solicitor with several years' relevant experience in a City Issuing House and will relish this opportunity to join an ambitious team and to contribute directly to its planned growth.

Compensation will, naturally, be commensurate with ability and experience.

Replies in confidence to:—

Peter Winkworth  
Director  
Close Brothers Limited  
36 Great St. Helen's  
London EC3A 6AP

A Member of the Close Brothers Group plc

## James Capel & Co.

## International Gold & Mining Shares

### Senior Institutional Sales

James Capel & Co. have an international reputation for their gold and mining investment research. With the expansion of their business in London and overseas offices they seek a senior Institutional Salesman or woman to join their team.

The candidates, probably in their 30's, will have previous stock-broking experience in the mining sector, and in gold mines/mining finance houses in particular, either with a proven effective sales record or as research analysts with highly-motivated sales potential. Strong institutional contacts would be advantageous.

The team is a worldwide leader in its field and the position has exceptional potential which will be reflected in the remuneration.

Please reply in full confidence initially to Digby M. Dodd, quoting Ref. 599 at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Telephone 01-248 0355.

**Overton Shirley & Barry**  
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

## Major City Institutions

## Head of Premises-Administration

Our Client seeks the appointment of an outstanding person to manage the premises and administration functions of a major merchant banking and securities group employing some 1200 people. Initially the principal task will be to plan and implement a major move to new premises and the skills sought in this instance are those of innovative property management and administration rather than banking.

Successful candidates will be aged between 35 and 49 and will have an established track record gained preferably, but not necessarily, in the banking, insurance or professional areas. It is essential that they can evidence success in the field of creative office planning including the installation of sophisticated data processing and communication systems. A professional qualification in the field of architecture, surveying or premises management is desirable.

Responsibilities will include premises, centralised services such as catering, information and communication systems, library, postroom, messengers, transport etc. The person appointed — a man or woman — will work alongside a senior Personnel Specialist and a Computer Systems Expert, all of whom will report to the Senior Director responsible for administration. This is a new appointment.

Remuneration is negotiable in line with experience and will be backed by the normal banking benefits including a car, subsidised mortgage etc. There are prospects of a Directorship in due course.

Please apply in the first instance, enclosing a full C.V., to Colin Barry, Senior Partner, quoting Ref 605, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Telephone: 01-248 0355.

**Overton Shirley & Barry**  
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

## Young Financial Executives of outstanding ability

Currently Earning £16,000-£30,000

Ogden and Co. are Management Consultants specialising in executive recruitment. We are currently extending our contacts with senior executives of outstanding ability and achievement in the field of finance. We would like to hear from people aged 26-32 who feel that, in developing their careers over the next few years, they should not rule out the possibility of moving to a bigger job in another organisation.

Please write giving a brief summary of your background and experience to Mike Hann.

Any approach will be treated in the very strictest confidence.

## Ogden

MANAGEMENT CONSULTANTS  
Ogden and Co Ltd, One Old Bond St,  
London W1X 3TD Tel: 499 8811

## Top investment professionals for private clients

As a leader in international private banking, Citicorp is currently expanding its London private client business. We now require three professionals.

**Investment Marketing Manager - Middle East and Africa**

**Investment Marketing Manager - Europe**

Candidates for these positions should have substantial experience in private banking and international investment management in Europe or Middle East/Africa.

**Investment Management Professional**

Candidates should have at least 5 years' experience in managing international equity and fixed income portfolios.

All of these positions require experience in dealing with clients from differing nationalities and cultures.

An excellent salary and benefits package is associated with each of these positions in line with your experience and qualifications.

If you are qualified for one of these positions and are looking for a challenging career offered now with one of the major banks in Britain, please write enclosing a detailed CV to Hanneke C. Frese, Personnel Officer, Citicorp, 335 Strand, London WC2R 1LS.

**CITICORP**  
GLOBAL INVESTMENT BANKING

## Senior Marketing Manager

£35k + car

CITY

Our client is a leading supplier of electronically delivered financial information services and dealing room systems. It now seeks to strengthen the marketing function by the appointment of a senior executive who will lead a team of product and project managers.

The marketing team he will lead will be responsible for systems which interface with clients' existing computer and communications systems to provide specialised services needed in busy dealing rooms. This team will also be responsible for developing systems for the future.

Candidates should have solid marketing experience in a 'Hi Tech' industry and a thorough understanding of international banking and other City markets as well as a reasonable grasp of the engineering principles employed in computer and communications systems.

Applicants of either sex should quote ref: 560 and contact Hugh Dixon on (0952) 53319 or write to Johnson Wilson & Partners, Clarendon House, Hyde Street, Winchester, Hampshire.



**Johnson Wilson & Partners**  
Management Recruitment Consultants

## Secretary

Attractive negotiable salary and benefits

Central London

A highly respected and influential Professional Institute in the Transport field with c.14,000 members and an annual income of £34m, is seeking a persuasive, practical and enthusiastic Chief Executive to improve and promote the wide variety of benefits it is able to offer its rapidly increasing membership. The main areas of responsibility include:

**FINANCE** - control of income and expenditure, budget preparation, credit control, preparation of Annual Report and Accounts.

**COMMUNICATION** - advising the governing Council, liaison with and co-ordination of the membership, its committees, and activities. Promoting the Institute externally.

**MANAGEMENT** - of the Head Office staff, and the building itself.

The successful applicant will be aged 30-45, be a Chartered Secretary/Accountant or hold an equivalent, related academic qualification. Experience and commitment to modern office techniques based on computerisation is as essential as the proven ability to co-ordinate the activities of permanent staff and volunteer committees at national and regional level.

The post offers an excellent rewards package and good prospects in a progressive environment.

Please write with full C.V. to: Halina Scharf, Consultant, Management Selection Division, PER, 4th Floor, Rex House, 4-12 Regent Street, London SW1Y 4PP.

**PER**  
MANAGEMENT  
SELECTION



## TELECOM Career Opportunities in the Company Secretariat

Following the successful flotation of British Telecom, the company now plans to expand its company secretarial department to meet the needs of a listed company and for business development within the organisation as a whole. The immediate requirement is for:

**3 Heads of Section**  
City c.£20,000 negotiable  
Each section head will be responsible for specific aspects of the department's work relating to full company secretarial responsibilities for several subsidiaries, joint ventures, assistance with annual and quarterly reports and with the AGM and other shareholders meetings. Ref: 6106/A

**Head of Group**  
City c.£18,000 negotiable  
The role will be essentially that of support to the Assistant Secretary and section heads involving a wide exposure to all aspects of the department's work. Specific areas of responsibility will include monitoring British Telecom's interests in

joint ventures, dormant companies and special assignments. Ref: 6106/B  
Candidates for all appointments should be qualified as a chartered secretary, solicitor or barrister and have gained wide exposure to all aspects of company secretarial work in a listed company. Personal qualities are of particular importance and must include drive, determination, high communicative skills, total commitment and professionalism. The likely age range is between 27 and 40. The salary is negotiable and the benefit package includes pension and employee share schemes.

Please write in the first instance to: Christopher S. Bainton, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD, quoting the appropriate reference.

PEAT  
MARWICK

## Chief Executive

The Silentnight Group wishes to appoint a Chief Executive reporting to a Non-Executive Chairman.

### THE GROUP

The Silentnight Group operates through 18 subsidiary companies in the furniture industry. With a turnover in excess of £75m from the manufacture and sale of bedding, upholstery and furniture, we are one of the largest and most successful operations in the industry.

Our business approach is to have our companies operate independently within a broad corporate plan.

### LOCATION

The subsidiary companies are mainly located in the Yorkshire/Lancashire textile belt. The Chief Executive will be based at the Company's headquarters in Barnoldswick in North East Lancashire on the fringe of the Yorkshire Dales and live within a 10/12 miles radius of Barnoldswick. Therefore his/her family should enjoy living in a rural environment.

### REMUNERATION PACKAGE

To recruit the right candidate the very substantial salary, profit-related bonus, car, pension and share option scheme etc. will be to a level to attract the most able person.

### APPLICANTS

We seek a successful executive, probably around 50 years old, with experience of controlling subsidiary companies at arm's length, preferably in an industry where 'this week's orders are next week's deliveries' while, at the same time, keeping in close touch with customers. Please send me a brief C.V. in strict confidence and, in return, I will send further details.

T. Clarke, Chairman  
Silentnight Holdings plc, Wellhouse Road, Barnoldswick, Colne, Lancs, BB8 6DR.

 **Silentnight Holdings plc**

## Finance Director with general management capabilities

Our client is a High Street fashion retailer with a turnover in excess of £20m and 600 employees. It is a subsidiary of a British multinational with turnover in excess of £800m and 43,000 employees.

Financial management is regarded as a universally commercial activity with a major contribution to general management. Business sense is therefore valued equally with accountancy expertise.

Candidates in their late twenties, early thirties should be expert financial managers with the following experience: of working at senior level in a small team; of a fast moving service industry ideally multi-locational; and of an international company with strict financial reporting procedures.

Salary negotiable up to £23,000 with substantial bonus potential; executive car and other senior benefits. Promotion prospects within the group are excellent including to general management. Location Central London.

Please write - in confidence - stating how the requirements are met to Lionel Koppen, ref.B.42208.

This appointment is open to men and women.  
HAY-MSL Selection and Advertising Limited,  
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific  
**HAY-MSL**  
MANAGEMENT SELECTION

## Financial Sector Human Resources Investment Dealer

£18,000 plus  
with Banking benefits package

Our clients are a leading International Bank with offices in London. They are seeking a Dealer with general experience to join their successful and growing Investment Dealing Team. The position offers an opportunity to participate in the continuing growth of the Investment Department as a whole. Wide experience of dealing in a variety of instruments is preferred. The prime requirement is for someone who has had responsibility for running positions in Eurobond markets. It would also be of value to have experience in UK fixed interest, equities or gold shares. Candidates for this challenging and varied position are invited to write in strictest confidence enclosing a c.v. to Derek A. Bura, MCP Consultants, 20 Holborn London EC1N 3JD (tel. 405 9000), stating those institutions to which personal details must not be submitted.

**MCP Consultants**

Management Computer and Personnel Consultants  
Member of the Management Consultants Association

Leading U.S. Bank

## SENIOR INVESTMENT ANALYST

Minimum £20,000 + Car

Our client is one of the world's major financial institutions and one of the largest investment managers in the USA. The bank's International Investment Department, based in London, manages equities and bonds for institutions and private individuals worldwide.

The International Investment Department wishes to appoint a Senior Analyst to work directly with senior fund managers in London, New York, Switzerland and Hong Kong, reporting to the Head of International Research.

The potential to make a significant contribution to the international management of equities and bonds is a key element of the position, and calls for a proven track record of stock selection most probably obtained in markets outside the USA.

The breadth of this appointment calls for a keen commercial outlook, together with well-developed communications skills and the presence to develop effective working relationships at all levels. The position offers considerable scope for career development within the bank. The successful candidate is most likely to be a graduate with at least 3 years' experience in a stockbroking or fund management environment.

The excellent salary includes a full benefits package as you would expect from a major bank, and reflects the importance of the position to the team.

Please contact Felicity Hother in the first instance.  
Telephone 01-588 6644,  
or write to her at the address below.

Anderson, Squires  
Bank Recruitment Specialists  
85 London Wall, London EC2

Anderson, Squires

## Commercial Lending

Retail Banking - Scotland Neg. to £19,000

National Girobank, is a rapidly growing UK financial institution and has established a significant presence in the personal and corporate banking markets. The bank is now seeking to extend the range of corporate lending facilities available from its Scottish Office and wishes to strengthen its expertise in this field by appointing a Credit Manager for Scotland.

Based in Edinburgh, and reporting to the General Manager, Scotland, the Credit Manager, operating within the bank's overall policy and development framework will be responsible for all aspects of credit analysis and lending facilities in Scotland and will provide professional advice on all commercial credit matters. The manager appointed will be a qualified Scottish banker and will have several years' leading experience

together with a full knowledge of all aspects of credit analysis and loan documentation. He/she will also have good interpersonal and negotiating skills.

Benefits include a contributory index-linked pension scheme, 5 weeks annual holiday and assistance with relocation to the Edinburgh area where necessary. Initial salary will be in the range £15,000 to £19,000 depending on experience. Considerable travel in Scotland and within the UK is anticipated.

Write or telephone for an application form or send a detailed CV including salary progression to Douglas Kinnaird, quoting reference number GMS96/9854/ET on both letter and envelope. No details are divulged to clients without prior permission.

**PA**

**PA Personnel Services**

Fitzpatrick House, 14/18 Cadogan Street, Glasgow G2 6QP  
Telephone: 041-221 3954 Telex: 779148

## Mills & Allen International

a major international services group  
is seeking to appoint the

## GROUP DEVELOPMENT MANAGER

who will report directly to the Chief Executive

The MAI group comprises a world-wide money and securities broking operation, retail and Lloyd's insurance broking companies, and a New York market research business. The advertising activities of the group are presently being prepared to be separately floated.

### The Group Development Manager will:

- participate as a member of the senior group management team in the strategic planning of the MAI group to play a leading role in the rapidly changing financial and information service markets;
- identify and investigate possible acquisitions or investments and explore the development potential of existing group operations and opportunities for new products and markets. The Group Development Manager will need to acquire considerable knowledge and understanding of the group's business and to work closely with senior executives of the operating companies;
- prepare reports on possible acquisitions, investments or divestments for the main board of MAI;
- take part in negotiations and take primary responsibility for the implementation of transactions, co-ordinating group secretarial and accounting expertise and professional advisers as required.

Applicants must be familiar with techniques of financial analysis and corporate mergers and acquisitions.

An investment banking background would be valuable; a lively curiosity and clear mind are essential.

Salary and age both around 30, with suitable fringe benefits and incentive package.

Please write in confidence to:

The Chief Executive  
MILLS & ALLEN INTERNATIONAL PLC  
8 Montague Close, London SE1 9RD

## Investment Assistant

Zurich Insurance, part of the £6 billion Zurich Group, wishes to augment its investment team in the City.

We require someone with 2-5 years experience of Fund Management to assist in the day to day management of our Sterling Bond and Ordinary Share portfolios. The person appointed will work under direction initially, but in due course greater independence and promotion are envisaged.

Candidates should be under 30 and educated to 'A' level. A degree or professional qualification in economics or accountancy would be an advantage.

We offer a competitive salary and the usual benefits including a non-contributory pension scheme and assisted mortgage scheme.

Please write with personal and career details to:

R.M. Farr, Assistant Manager for UK, Zurich Insurance Company, Third Floor, Chesterfield House, 26/28 Fenchurch Street, London EC3M 3DA.



**ZURICH  
INSURANCE**

## Institutional Sales Oil

Laing and Cruickshank are looking to extend its growing presence in the oil sector by appointing an executive to specialise in institutional dealing. Laing and Cruickshank now have a fully established research team which actively covers all aspects of the oil sector. Currently they are also marketing a highly acclaimed computerised evaluation package. The newly appointed salesperson would be involved with all members of this team and would be expected to make an early and significant contribution to the firm's international oil business.

We feel that this position would suit either an already established sales executive or an analyst looking to move towards sales. Whilst we would give preference to applicants with relevant experience, we are interested in discussing the position with oil industry specialists capable of succeeding in a competitive stockbroking environment.

Salary is negotiable and the total remuneration will reflect the seniority of the successful applicant.

Please apply in writing to:

B. J. Lardner,  
Laing & Cruickshank,  
Piercy House,  
7 Copthall Avenue,  
London EC2R 7BE.

**Laing  
& Cruickshank**  
MEMBER OF THE STOCK EXCHANGE

## RESEARCH AND CONSULTANCY

The Research Department of Hillier Parker, an international Chartered Surveyors, has a vacancy for a Research Analyst to provide advice and consultancy work for clients. The majority of the work will involve examining the potential for property investment, above, office and industrial properties in different locations throughout Britain. The applicant should be of high academic standards with a degree in Economics or a similar field.

Please apply, giving details to: Mr. J. Hillier Parker, Hillier Parker, 10 Cannon Street, London EC4A 3DF.

**Hillier  
Parker**  
Telephone: 0459 5544  
77 Cannon Street, London EC4A 3DF

## WELL ESTABLISHED MORTGAGE BROKERS require Experienced Negotiator

ANK Limited with Commercial/Industrial/Residential Mortgages. Write in strictest confidence to: Chairman, Box 4808, Financial Times, 10 Cannon Street, EC4A 3DF. Giving details of your background.



## CANADIAN IMPERIAL BANK OF COMMERCE

The longest established Canadian Bank in London is expanding its Treasury Operations and is seeking to fill the following two positions in our London Dealing Room.

## CORPORATE TREASURY SERVICES OFFICER

The person we are recruiting should have a minimum of 3/4 years' experience trading Foreign Exchange and Currency Deposits.

He/she will not necessarily have had previous experience of servicing clients but should be able to communicate in a confident and informed manner. Fluency in a second language, preferably French or German would be an asset.

## SPOT AND FORWARD DEALER

The person we are seeking to fill this position should have 3/4 years' experience trading the major currencies in the Spot and Forward markets. Additionally, experience in Currency Deposit Trading and a working knowledge of a second language, would be beneficial.

A competitive salary will be offered for both positions together with an excellent employee benefits programme which includes low-interest mortgage, non-contributory life assurance and pension schemes.

All applications will be treated in confidence.

Write giving details of age, education and business experience to:

Mr. D. L. Lang, Vice-President, Treasury Operations,  
CANADIAN IMPERIAL BANK OF COMMERCE,  
55 Bishopsgate, London, EC2N 3NN.

## Career Move 1985?

Are you now earning over £20,000 p.a. and thinking of a career move?

Now is the time to invest in your career and we provide the service which can help you to find your next top executive position at home or overseas.

We assess your marketability, identify career objectives, design a marketing plan, and work with you to obtain your next top job.

With our unrivalled technological information systems and the widest network of contacts in Europe we also help identify unadvertised vacancies.

We have the most successful record in our field. That is why top executives use our job search services. Our fees relate to your marketability.

An initial meeting is free. Contact us today.

**Connaught**

Executive Management Services Ltd.  
32, Savile Row, London W1 01-734 3879

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## Electronics

Our client, a major UK stockbroker with excellent research products and strong international business seeks two high-calibre individuals to contribute to the expansion of their well-established electronics specialisation.

### Senior Analyst

The successful candidate will help to increase coverage of the sector both on an international and domestic basis. It is envisaged that this job will appeal to an experienced electronics analyst seeking a career move, or alternatively, to an individual with relevant background in the industry.

### Institutional Sales

This key position in helping to expand client coverage would ideally suit an applicant with proven institutional sales experience. We would also be interested to hear from established electronics analysts wishing to transfer their expertise to a marketing role.

In both cases, candidates should be graduates, aged 25-35, possessing first class communicative skills and a high degree of motivation.

The remunerative package will be made very attractive to the right individual(s).

Please contact Anthony Innes or Anna Robson, who will treat all enquiries with strict confidentiality.

### Stephens Associates

International Recruitment Consultants  
44 Carter Lane, London EC4V 3BX. 01-236 7307

## Finance Director

An exciting opportunity  
with a fast-moving property company

### Circa £28k

The Ladbroke Group is one of Britain's top 100 and Europe's top 200 companies. Its property division, London & Leeds Investments, has become firmly established as one of Britain's leading property developers, specialising in the development of prime office accommodation, industrial parks, luxury apartments and retail shopping projects.

The Finance Director role is part of the management team led by the Managing Director, Ernest Sheaville. The responsibilities of the position involve close control of the management and financial accounting functions. Equally important will be the contribution to the overall commercial management of the business, and working with the Managing Director in all

### London W.1.

aspects of business planning and development.

Applicants should be chartered accountants, aged 28-38 who are able to demonstrate a record of achievement, preferably in the property industry.

The salary offered is negotiable, but we consider applicants should currently be earning circa £28k. The excellent benefits package includes executive bonus and share option schemes. Ladbroke's continued diversification and growth provide excellent career development opportunities across the group.

Please send full CV, with details of current salary, to Vic Gaffin, Director of Human Resources, Ladbroke Group PLC, 87 Wimpola Street, London W1M 7DB, telephone 01-935 2853.

## London & Leeds

A property division of the Ladbroke Group PLC.

## ARE FUND MANAGERS UNDERPAID? SOME ARE OVERPAID!

### WHAT ARE YOU WORTH? £30,000 - £50,000

We are looking for the right person in London with an in-depth experience of the UK market, as well as a strong background in International markets - particularly the Far East.

If you want a challenge with the right reward in a substantial but fast growing international investment organisation then write to us at PO Box A8838, Financial Times, Bracken House, 10 Cannon Street, London EC4.

## B.I.M. DIRECTOR GENERAL

The appointment becomes vacant in 1985 when the present Director General retires.

The British Institute of Management is the largest body of its kind in the world. Its main objective is the raising of standards of performance and professionalism in management. It has a well-established and growing membership of qualified managers and a large number of subscribing companies and other organisations.

As the Chief Executive Officer of the Institute, the Director General is responsible for the representation of its interests to Government, industry, educational and other circles and for the management and implementation of a wide programme of national and regional activities. The role is an extremely demanding one and only individuals possessing creative intellect, leadership and communicating skills should apply.

Candidates must have a distinguished record of achievement in one of the following sectors: industry, commerce, management education, public/professional services.

Apply in confidence to:

Alexander, Hughes & Associates,  
Executive Search Consultants,  
4/5, De Walden Court, 85 New Cavendish Street,  
London W1M 7RA.

### DISTRICT GENERAL MANAGER

Consequent upon the Griffiths Report applications are invited for the new appointment of District General Manager who will be responsible to the Authority for the General Management of this District which provides care for a population of 210,000 with a revenue budget of £25,000,000 and employing 4,455 staff. The District General Manager will be expected to give imaginative and enthusiastic leadership in achieving objectives set by the Authority in Health Care within the resources available.

Candidates of either sex must have operated at General Management level in a substantial organisation in either

the public or private sector. They must be able to demonstrate success in an organisation demanding a responsive and dynamic management style.

The appointment will be for a fixed term of three years renewable by mutual agreement. Salary negotiable, but would interest those already earning in excess of £20,000.

For further information, job description, etc. please contact Mr. S. W. T. Birch, Chairman, at the District Offices, Walsgrave House, Market Street, Warwick. Tel. 0935 493491. Closing date: 31 January 1985.

South Warwickshire Health Authority

## Private Client Senior Assistant

Age 25-32

up to £20,000

Our client, a major firm of Stockbrokers now closely associated with a leading British institution, will shortly appoint a senior Private Client Executive to help with the management of their substantial private client funds. The ideal candidate, probably a graduate, will have had at least two years' experience with another firm of Stockbrokers. He/she will have to demonstrate to our client that they have the intellectual ability, as well as having the personal and communicative skills, to deal with a wide range of major private clients.

This appointment offers a genuine career step with a firm that has an excellent name in the investment field.

Please apply to Jock Coutts, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG. Tel: 01-242 5775.

**Career  
plan**  
LIMITED

Personnel Consultants

## International Merchant Banker 25-30

Our Client is one of the largest European Merchant and Commercial Banks and has a considerable London presence in International Syndicated Finance.

They seek to strengthen their international finance team with an exceptional person who has, ideally, a year or more practical experience gained in an Accepting House or major International Bank. Experience to date could be in International Corporate Finance, Investment or Commercial Banking etc.

You will be a graduate, and ideally, but not essentially, a qualified Solicitor or Chartered Accountant. The ability to integrate into a small team working under pressure is essential as is a knowledge of credit appraisal, documentation and syndication. A second European language would be an advantage.

The job will include some overseas travel. Longer term career prospects are on an international basis. Our Client offers generous remuneration which will include the normal banking benefits.

Please write in confidence, enclosing a detailed c.v., to Keith Fisher, quoting ref. 608, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Telephone: 01-248 0355.

**Overton Shirley & Barry**  
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

## Japanese Capital Markets Specialist

Hill Samuel & Co. Limited, London, a major British merchant bank, seeks a 25/32 year old with knowledge of and sympathy with the Japanese market. The role, which is London based, entails working in partnership with the Bank's Tokyo office in the broad development of its Japanese business.

Reporting to a Director of the Bank, the individual will act as the principal contact with the London and European offices of Japanese Securities houses, Insurance institutions, Banks and Industrial companies. The most important part of the job will involve International Capital market issues.

You will probably have had some experience of the area gained on the Japanese/Far Eastern desk of an Accepting House or major Commercial bank. It is possible that you might come from a Stockbroking or Investment Management background. Ideally but not essentially you will have some knowledge of the language, and you should expect to travel to Japan. There are considerable further prospects within the Bank.

The remuneration package will incorporate normal Banking benefits, including mortgage and profit share.

Please write to:

R. C. G. Gardner, Director,  
Hill Samuel & Co. Limited, 100 Wood Street, London EC2P 2AJ.

**HILL SAMUEL & CO LIMITED**

## SENIOR DIRECTOR - MARKETING MAJOR ASSET - PROJECT FINANCE

A prime International Merchant Bank seeks applications from high calibre. Graduate bankers (preferably MBA - ACA's) with extensive experience of the negotiation of high value financings, virtually globally. A thorough knowledge of International Tax, documentation and the ability to price, structure and close transactions, is essential. A knowledge of international corporate finance activities would be very advantageous.

Candidates aged over 42 years, and earning less than £40,000 pa, are not likely to be considered.

Please contact Brian Gooch

### MARKETING OFFICERS

Scandinavia - £30,000

Latin America - £23,000

UK - £23,000

Our clients, Major International Banks in the City, are seeking high calibre candidates with good experience of Marketing to Corporate customers, and with good contacts in the specific sectors advertised.

The successful applicants will have proven track records, and be of degree or ACA level, aged between 27-35 years, with US credit training, and several years' new business experience.

Please contact Norma Given

## CAPITAL MARKETS & NEGOTIABLE

As an integral part of our on-going client support activities we would be interested to meet Graduate, MBA, or Accountancy qualified, investment-banking/capital-market executives. Applicants will currently be involved in the mandate-seeking, administration, swaps or syndications areas, and the object of our meeting would be to discuss possible current and future career development opportunities within this rapidly developing sector.

Please contact Bryan Sales

Applicants are invited in the first instance to forward curriculum vitae, marked for the attention of the appropriate Consultant, to

Jonathan Wren & Co Ltd, 170 Bishopsgate, London EC2M 4LX. Telephone: 01-623 1266.

**Jonathan  
Wren**  
BANKING  
APPOINTMENTS

## SALES MANAGER

required to head London office of major Spanish resort/residential development. Top producer required with highly-developed sales and marketing skills. Languages an asset.

Potential for major earnings for suitable applicant. Prestige offices from which to sell proven, highly-saleable product.

Reply in writing giving particulars of background and experience, with references.

Write Box A8857, Financial Times  
10 Cannon Street, London EC4P 4BY



## INSTITUTIONAL SALES REPRESENTATIVE

Oppenheimer & Co., the U.S. broking division of Mercantile House Holdings PLC, has an opening for a sales person in their London office to service institutional investors in the U.K. and on the Continent.

The person ideally should have 3-5 years experience in either institutional sales or portfolio management. We offer a creative compensation package and a stimulating working environment.

Replies either to Mr N. K. Segel or Mr D. B. Ziff on 01-235 6578

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## THE ARTS

Record Review/Andrew Clements

## Mixed novelties

Maxwell Davies: *Image, Reflection, Shadow*. The *Saints*. Brugh, *Runes from a Holy Island*. *Fires of London*. Davies. Unicorn-Kanchana DKP 9033

Osborne: *I am Goya*. *Flute Concerto*. *Remembering Esenin*. The *Saints*. City of London Sinfonia/Rickox. Unicorn-Kanchana DKP 9031

Casals: *Firebird*. *String Quartet*. *La Traviata*. Gauguin. Various artists. Wergo WER 60104

Shnittke: *Violin concerto No 2*. *Piano Quintet*. Gidon Kremer. Basle Symphony Orchestra/Holliger. Philips 411 107-1

Henze: *Five Symphonies*. Berlin. Philharmonia/Henze. Deutsche Grammophon 410 937-4 (two records)

In the area of contemporary music at least, the record industry seems to take two steps backwards for every tentative step forward. Even a composer as securely established as Peter Maxwell Davies is scantily served; no major company has come forward to commission a systematic survey of his work, in the way that Decca did in the late 1950s, and 1960s for Britten, and Philips did for Tippett a decade later. Unicorn-Kanchana, a much smaller organisation, has done its bit, however, and the latest Davies disc from that source brings one of his most impressive recent scores together with two occasional previous ones.

*Image, Reflection, Shadow* has been widely performed by the *Fires of London* and discussed several times on this page. It is a fine example of Davies' ability to generate expansive arguments with a generally assured yet highly flexible musical language. Stephen Pruslin's sleeve note suggests it as a sequel to Davies' earlier sextet *Ave maria stella*, with which it shares an elegantly postmodernist, and marvellously evocative instrumental writing, in which here the emblem plays a leading role. The *Fires of London* play it with great assurance, emphasising the work's chamber-music quality and its bright, primary colours to *The Birds of Brugh*, a cogent elegy from 1981, and *Runes from a Holy Island*, commissioned for a BBC Radio 4 programme in 1977. Unicorn-Kanchana is also res-

ponsible for issuing the first recordings of the work of Nigel Osborne, much over a century who in a more perfect world should already have been substantially represented. The selection of works here is a logical one—all four items were originally inspired by Russian literature and it makes a useful if by now slightly outdated introduction to Osborne's music. *I am Goya*, a sombre setting for baritone, (the excellent Stephen Varcoe here) of a poem by Alexander Pushkin, was the first piece to really gain wide critical attention; that was written in 1977, and was preceded by *Remembering Esenin* for cello and piano (1974), and *The Saints* (1973), a Mayakovsky setting for soprano, both of which have the dramatic cogency and sureness of expression that have remained characteristic of his music.

It's unfortunate that the late concert (1980), the most substantial work on the disc, should also in many ways be the least satisfying, both structurally and in the quality of its invention. It is a shame the later Osborne could not have been represented by one of the more recent Sinfonias or the vocal *Choralis*, all of which have more emotional poignance than the concert, which seems quite over its essentially lightweight premise. Those more hefty works, however, can wait for the follow-up collection that should appear as soon as possible.

The three pieces by John Casken project such pungent musical personality. One can admire the craftsmanship in all of Casken's work, the carefully graded textures, the fastidiously organised harmony. But it is his quite transcendental impression of models thoroughly absorbed and reconstituted in an utterly civilised way. Only *Firebird* (1980), a setting for soprano and ensemble of a text by George Bernard Shaw, seems more potent, when it grafts some Stravinskian rhythmic vigour and rawness onto its lucid framework; the *String Quartet* (1983) seems to cry out for some of the same earthenness, while *La Traviata*, Gauguin (1978) for soprano and piano to a text of the composer's own devising, generates an exotic ecstasy without ever being completely convincing. Performances — from Theresa Cahill and the Northern Sinfonia, the *Lindsey*

Quartet and Jane Manning — are, however, first-rate. Shnittke's second violin concerto has not to my knowledge been performed in Britain. The third concerto has, and seems to me one of his most successful large-scale works, but its Bergian sound world is far removed from that of its predecessor, who continually finds its lyrical impulse frustrated by a fondness for modish effects too characteristic of the time (1966) when it was composed. At his best Shnittke can fuse any number of disparate stylistic elements convincingly and derive a considerable emotional charge from doing so, but he does not manage it in the concerto, eloquently though Kremer propounds it.

The piano quintet (1978) is a different matter; here Shnittke reveals his debt to Shostakovich most explicitly, in both the scarcely suppressed sense of tragedy (the work is dedicated to the memory of the composer's mother) and in the use of very basic thematic elements to build impressive musical structures. Neither works really settles the question of Shnittke's true stature—at times he seems a composer of considerable power, elsewhere little more than a gifted eccentric. What is clear, however, is an ability to inspire fine performances; Kremer leads an account of the quintet that suggests most committed advocacy.

Deutsche Grammophon has a wealth of recordings of Henze that are presently unavailable, and it's to be hoped that the reappearance of the first five symphonies is the forerunner of much more. It is not, to be honest, a terribly distinguished set; the performances are dutiful rather than committed and the music itself is only intermittently engaging. Henze has always been alarmingly fluent, perhaps too fluent, for his own good. His compositions of the late 1940s and early '50s, when four of these symphonies were written, veer between the exquisite and the uninspired, and the symphonies belong generally to the latter category. None of them is without interest—Henze is too naturally expressive a composer for that—but there are so many better of his works lurking in the archives (not least the operas) that it is hard to see these for first revival.



## Opera in Catalonia

Ronald Crichton

Now that Catalonia is autonomous, the Catalan language has moved up in the official world. The opera public may still call the famous theatre on Barcelona's Rambles the Liceu, but on the programme cover it has become "Gran Teatre del Liceu". Either way this is a pleasant place to spend a winter Sunday afternoon—resplendent, vast auditorium kind to voices and orchestra, glittering foyer, wood-paneled rooms for the private use of the Liceu's equivalent of the Friends of Covent Garden, whose forerunners commissioned from the painter Ramon Casas, one of the "four cats" group to which the young Picasso belonged, a series of canvases on musical themes which has become a shrine of the "modernism" movement.

The Liceu's financial support has changed. The theatre is no longer an entirely private venture; in addition there is regional and municipal support. Standards have improved. If a singer may be allowed to say so, the improvement has also affected the audience—punctual, quiet and attentive at the pre-Christmas matinee of Puccini's *La Gioconda*. The new musical director Román Gens, former chorus master at La Scala, has raised those forces to a more suitable level for a city long distinguished for choral singing than was the case at my first visit some eight years ago. Yet this is still "Grand opera of the old kind" with the solo singer way ahead of the rest.

That first visit offered Raimon Kabislavsky, Bergonzi in top form, and Gwynne Howell in *La forza del destino*. This time was the soprano Eva Marton, the mezzo Stefania Toczyska and the tenor Carreras, a local hero, known in his native city not as José but Josep. Today, when progressive producers are thicker on the ground than singers, the soprano Eva Marton, the mezzo Stefania Toczyska and the tenor Carreras, a local hero, known in his native city not as José but Josep. Today, when progressive producers are thicker on the ground than singers, the soprano Eva Marton, the mezzo Stefania Toczyska and the tenor Carreras, a local hero, known in his native city not as José but Josep. Today, when progressive producers are thicker on the ground than singers, the soprano Eva Marton, the mezzo Stefania Toczyska and the tenor Carreras, a local hero, known in his native city not as José but Josep.

Eva Marton in the title-role of the notably un-jocular ballad

singer came as a surprise. In her Bayreuth Venus and Elisabeth and still more in her Salzburg Fidelio I found little but cold, unyielding competence. In Barcelona Miss Marton melted. She was supple and feminine. One did not find (and could not reasonably expect) the special qualities of Callas or the special qualities brought by Ponselle and Milán to this super-star part, but the voice was strong, even and lustrous, the dangerous chest notes wisely managed. Toczyska (Laura Adorno) is a real mezzo, not a soprano pulled down or a contralto dragged up. The tone is compact, each note surely formed. Unfortunately unclear Italian robbed the Italians of their point in an otherwise exciting account of the slanging-match.

Carreras as Ennio Grimaldo displayed his usual warm, appealing timbre but the voice does not flow quite so easily now. "Ciclo e mar" deserved most of the applause it won but was not seamless. This experienced, personable tenor still stands on stage like a shy, awkward schoolboy. Le Ciccio, Gioconda's old, blind mother, was Patricia Payne, who may have forgiven some untidiness for her whole-hearted attack and true contralto colouring. Franco Bordini as the villain Barnaba, was a late replacement, singing soundly with minimal indication of the nasty nature of the character. The forceful, woolly Alvisio of Kurt Rydtt suggested a descendant of Wagner's Hunding. As conductor, Román Gens showed his singers a deference hardly needed by this cast. In a theatre which magically enhances string tone it was a shame to have a piano accompaniment reduced to wisps of sound.

The "direction" of Giuseppe de Tomasi was distinctly unambitious. I thought it a mistake not to show the supposedly lifeless corpse of Laura in the third act. The lurid melodrama which Boito fashioned out of a play by Victor Hugo takes some swallowing but on its own terms it is a good thing. Those terms do not include a tawdry, over-the-top Gothic horror. The music has dignity and a certain cryptic nobility. It is sometimes commonplace but not cheap. I would rather see *La Gioconda* than some of the meretricious verismo war-horses which are still put through their paces.

Sollidre (1933), one of the paintings to go on show at the Royal Academy's major Chagall exhibition from next week. It includes works covering 77 years, from 1907. On the right is the new president of the academy, Roger de Grey.

De Grey picture by Ashley Ashwood

## Chagall still painting at 97

Antony Thorncroft

A major exhibition of the work of Marc Chagall, the first in London since 1948, opens at the Royal Academy tomorrow and continues until March 31. Chagall, who lives in the South of France and at the age of 97 is still working (there is an oil in the show which he completed in 1984), is the last of the modern masters still alive. Although after his Cubist phase he was never a member of a particular school, his painting with its dream-like qualities has helped to mould contemporary attitudes to art.

The current show contains more than 100 paintings as well as prints and stained glass. There is also his stage backdrop for the ballet *Aleko*, commissioned in 1942 and measuring 20 by 45 feet, which has not been seen in the UK previously.

It is sponsored, with a guarantee against loss of around £100,000, by the First National Bank of Chicago, a city with which Chagall has had a long association. Full admission costs £2.50, with various concessions. During February and March it will be possible to get a joint discount if a visit is also made to the Renoir show at the Hayward.

There will be a concert at the Barbican by the LSO on February 28, in aid of the Royal Academy appeal, of music with links to Chagall. The *Aleko* backdrop will be displayed at it.

## Ann Mackay/Wigmore Hall

David Murray

Even with a slight cold—as on Tuesday night—Miss Mackay never disappoints; nor is she much inclined to surprise. She is beautiful, and her soprano has an enchanting openness and clarity as well as flexibility. There is also a dewy innocence about it that will not be compromised by the result of the charm of the whole person dominates everything; music that contains darker suggestions has to be played more cautiously, and it still strikes pretty much the same bell-like note.

Tuesday's was a full-scale Lied programme, which after considerable last-minute winnowing consisted almost entirely of classics from the Schwarzkopf repertoire. Miss Mackay's Schubert group was uniformly graceful, sensible, not much contrived, making little of word-colour—though not so little as her opening Mozart. That was the late, pantheist mini-cantata K 616, which requires an intensity of dedication quite foreign to her style (and, to be fair, a declivity lower range; some hollow

timbre betrayed her troubles). She sang Hugo Wolf with intelligence as well as allure, though though there was small hint of tragedy in Mignon's songs nor of real mischief in "Ich hab' in Panna."

The second half was all Richard Strauss, to whom Miss Mackay—and her accompanist Geoffrey Parsons—warmed steadily. Despite some comic indications of distraction, the mad Ophelia's songs sounded little different from comic-lit ones like "Schlechte Wetter" and "Hat gesagt..." (the Ophelia songs can freeze the blood); but the pure, happy warbling in things like "Muttertänze" and "Ich schwebte" was irresistible. As encore, there was a lovely "Die Nacht" too. By then the soprano sounded ready to do gleaming service to Strauss, for another hour. Miss Mackay accommodates different songs to her own manner willingly enough that it's perhaps bootless to wish that her range itself would expand. Still, with natural powers like hers it would be exciting if it did.

## Meet me at the Gate/Kings Head

Martin Hoyle

Perhaps aiming at another success like the revived King's Head, the enterprising Kings Head has mounted a compilation of numbers from the Gate class barfly, the lonely and boring women in the Chelsea local; she's still around. This bitter-sweetness reaches its apogee in "Transatlantic Lullaby."

Not everything is as good as this. However, the show is never less than enjoyable. Neil Lawford directs a stylish comic, Lynda Bellingham (punchy), Diane Martin (coguish) and Gaynor Sinclair (wifid). The men are Murray Woodfield, Graham Hoadley (excellent at prim distress) and Robert Glenister whose little mousethe and dotty twirl in "The Yodeling Goldfish" evoke as many Thirties gigolos—both ours (ineffectual) and theirs (sinister). Billy Milton introduces the numbers. So-called narrators include Margaret Rawlings, Gwen Frangon-Davies and Diana Morgan herself.

fore their time, was—I've been told by a member of the original audience—disconcertingly irrelevant in the Thirties. Best of all is the middle-aged middle-class barfly, the lonely and boring women in the Chelsea local; she's still around. This bitter-sweetness reaches its apogee in "Transatlantic Lullaby."

## Stockhausen/Barbican Hall

Max Loppert

In what have traditionally been the musical dog days of early January, the BBC is suddenly showing a splendid determination to do exciting and purposeful ways of banishing all such tradition. Until Saturday, and again next Wednesday, the BBC Symphony Orchestra and various virtuoso soloists and singers are installed at the Barbican to present a Stockhausen festival with a specific brief and enclosing subtitle—"music and machines (1964-1970)". The composer himself is in residence; talks, open rehearsals and a backstage tour are part of the package. By proposing for this festival boundaries which broadly close off the period of first major Stockhausen innovation, the movement towards various electronic and live-produced musical sound, the BBC has at least chosen to focus attention on the music in a particular context.

Furthermore, all the work selected for revival in the 10th piano piece marks the earlier end of the chosen period,

Monstrous later—add a specific new detail and dimension to the larger picture; even those temperamental out of sympathy with the whole ethos of the music, and unable to tune themselves to the language of metaphysical imperatives and abstract descriptions, are often coached, must agree that the experience will force new illumination on the issue. As Richard Toop (in programme notes uncommonly lucid and witty by previous Stockhausen standards) suggests at the close of his introduction, future London festivals will obviously be needed to continue the process; after the opening concert, on Wednesday night, one was in a mood to hope that their planning was already well advanced.

The major item in it was two performances, in exactly reverse structural formation, of *Mixtur* (1964, here given in the almost-down version of 1967), conducted by Peter Ebdvits, with the composer in control of sound projection, the earlier large-scale essays in "live electronic music," whose instrumental sounds are heard

and also—momentarily, simultaneously, in diverse patterns of delay as may be—subject to ring modulations. Its methods promote simple, sometimes stark gestural alternations; but last night's clarity was enriched by the exhilaratingly high degree of pictorial imagination that informs each moment (and each sectional Moment), that sweeps one restlessly into the adventure.

Both performances, supplied with enthralling stretches of sound in which one could be enveloped, by which one could also be consciously critically interested; only the failure of the Barbican equipment to provide the degree of multi-directional "sensurround" promised by the quantity of speakers banked along the walls of the first tier robbed the listener of total involvement.

Between the two readings, Bernhard Wambach gave a masterly account of the 10th piano piece: for me its content is always exhausted well before its end is reached, but on this occasion awareness of exhaustion was delayed longer than usual. All the concerts are being broadcast live on Radio 3.

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

## Arts Guide

## Exhibitions

**PARIS**  
Kandinsky: 70 paintings, many on loan from the U.S., Germany and Holland, are complemented by Nina Kandinsky's legacy of 100 drawings and sketches and by his correspondence, his library and his own collection. The vast retrospective, the most important in Paris since 1933, retraces the different stages in his creation: Munich, the Bauhaus and finally Paris. Centre Georges Pompidou, closed Tuesdays. Ends Jan 23, (277 1233).

Degas: His portrait of Diego Martelli and his astonishing Bureau des Colonies, with his Carpet 18 to be seen for the first and last time, page by page, for the highlights of a vast exhibition of the master's sculptures, paintings, lithographs. Centre Culturel du Marais, 20-26 Rue des Francs-Bourgeois (572.73.52). Every day from 10am till 7pm. Ends Jan 27.

**WEST GERMANY**  
Cologne, Museum für Ostasiatische Kunst, 180 Universitätsstrasse. The Museum of Far Eastern Art is showing Korean art—some of which is more than 5,000 years old. It includes extremely thin-walled storage jars with scratch patterns, bronze and stone weapons, glazed vessels, wooden pawns, gold sheeting and gold ornaments, metal crowns, bronze figures and tombstone reliefs. Ends Jan 13.

Haus der Kunst, Forum des Landesmuseums, 170 and 180 Markstr. Berlin Art between 1770 and 1880 has 200 bronze, gypsum, ceramic and china sculptures by artists from the 18th to the 19th century. Ends Feb 17.

Münchener Kunstverein und Kunsthaus, 4 Grabenplatz. Russian and Soviet Art—Tradition and the Present links the time of old Russian icon painting to today's contemporary approach with the help of 300 works of art. This is the most comprehensive show of Russian art presented in the Federal Republic. Ends Jan 27.

Musée, Sculpturemuseum, Creiller Platz. Sculptures, drawings and graphics by Henry Moore depicting mother and child. The works include all his efforts to deal with this subject since 1922. Ends Jan 13.

Münchener Villa Stuck, 60 Prinzregentenstrasse. 80 coloured drawings from between 1880 and 1917 by Gustav Klimt, the Austrian chief protagonist of Viennese Jugendstil. Ends Jan 27.

Berlin, Nationalgalerie, 50 Potsdamer Strasse. "We Progress Continuously" has 300 sketches in preparation of nine paintings by Johannes Grotzka, the contemporary realistic painter. Ends Jan 27.

Roma, Kunsthaus, 207 Am Wall. Water Colours from the 16th century includes Albrecht Dürer, Eugene Delacroix and Emil Nolde. Ends Feb 24.

Hannover, Kasseler Gesellschaft, 18 Wardenburgstrasse. Fifty oil paintings, drawings and pastels by Francesco Clemente, the Italian painter. The lion's share falls from the art-

ist's visit to India this year. Ends Jan 20.

Münster, Westfälisches Landesmuseum, 10 Domplatz. More than 200 drawings and sketches by August Rodin, the French sculptor. The bulk of the exhibits have never been shown outside the Paris Musée Rodin. Ends Jan 20.

München, Haus der Kunst, 1. Prinzregentenstrasse. The museum is displaying two exquisite shows. Noted — the Woman in Ancient Egypt has 90 important works from between 2500 B.C. and 600 A.D. on loan from the Egyptian Museum in Cairo. Ends Feb 10. Shogun offers a panorama of Asian culture in the everyday life of the Japanese dynasties between 1615 and 1868. Despite the limited number of exhibits from the Tokugawa Art Museum Nagoya in Japan, the show allows an insight into the position and importance of the Tokugawa prince. Munich is the only German venue of the exhibition which goes on to Paris. Ends Feb 3.

**ITALY**  
Naples: Museo di Capodimonte. Naples in the 17th Century: for lovers of Baroque. An emblematic exhibition of paintings, marbles, silver and furniture dating from a period when the city was the second in Europe after Paris. Ends April 14.

Roma, Palazzo dei Conservatori (Campidoglio). Marc Chagall's drawings, gouaches and paintings—1907 to 1983. Chagall is remarkable for his fierce individuality and independence from the movements of his time: surrealism, fauvism and cubism. The exhibition gives us a visual history of Europe in the 20th cen-

tury through the eyes of an exiled Russian Jew—from his muted early paintings of his tiny home village of Vitebsk near the Polish frontier to the explosion of colour and inventiveness of his first and, many think, best period in Paris. Homage to Apollinaire is here, as well as the emblematic Odalisque. Note and the impossible elongated Acrobat. The images one associates with Chagall around: the bue bouquets, flying lovers and fantastic animals, but these seemingly traditional and happy symbols have a disproportionate ability to produce emotions of joy, anguish, nostalgia and affection—always just saved from sentimentality by his wit and detachment. Closed Monday. Ends Jan 13.

Roma, Galleria Giulia (Via Giulia 148). Max Ernst drawings organised in collaboration with the Goethe Institute. Ends Jan 18.

Florence: Palazzo Strozzi. Icons from Russia—painting in Russia and the Ukraine from the 15th to the 18th century, organised by the new Russian Ministry of Arts. On show are 71 icons from the Museo Rublev in Moscow, and from museums in Leningrad, Kiev and Carraigov. Newly restored and stripped of their dark protective layers of lapsed oil, the colours are brilliant and the gold gleams. The exhibition is fascinating not only for the extraordinary and disconcerting beauty of the icons but for showing the remarkable artistic isolation of Russia, which allowed this subtle art form to survive until Peter the Great declared forcibly to Europeanise it in the 18th century. Ends March 3.

**NETHERLANDS**  
Amsterdam, Allard Pierson Museum: "Sensurround" drawings, an exhibition marking the archaeological museum's 50th anniversary, is devoted to daily life in Egypt, from 3500 BC to 600 AD. Not grandeur, then, but domesticity, as the visitor is led through a series of small rooms (one a recreation of an Egyptian interior) displaying everyday objects, delicate faience work, jewellery and religious artefacts. Richly illustrated catalogue. Ends Jan 18.

Amsterdam, Jewish Historical Museum. Ends March 10 (closed Mon).

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**VIENNA**  
Medieval Art from Serbian Monasteries: This exhibition from Yugoslavia of religious art from Serbian Medieval Monasteries covers the period from the 10th to 17th centuries and includes some intricately worked silver book covers, chalices and incense burners. Gifted icons are also of interest, showing a surprisingly modern angular technique in depicting garments. Other exhibits include illuminated manuscripts and copies of frescoes, and all show a fascinating intermingling of eastern and western artistic influences. Museum of Mankind. Ends Jan 20.

and 50 lithographs and etchings from the state collections. Ends Jan 20.

Utrecht, Central Museum. Rare silver of the Golden Age. The Van Vianen family of Utrecht provided the country's leading silversmiths for much of the 17th century. The 60 objects on show, as in Vienna, Leningrad, Berlin, Paris and Amsterdam inevitably focus on the work of Adam and Paulus Van Vianen, whose introduction of the auricular style and emphasis on the sculptural qualities of silver brought about a break with the past. Ornate yet graceful cups and ewers contrast with superbly chased tazas and plaques depicting mythological and biblical scenes in low relief. The dazzling display is complemented by 17th-century paintings and drawings in which the Van Vianens' creations featured as sumptuous accessories. Ends Feb 10 (closed Mon).

**TOKYO**  
Ceramics of East and West (Idemitsu Art Gallery): This exhibition highlights 17th and 18th century fine ceramics in Japan and Europe, including Japanese Arisawa ware, Delft from Holland and Meissen from Germany. Particularly interesting is the influence of these various wares on each other, the result of trading of the period. Shards of Chinese and Japanese pottery excavated outside

Calto are also on display. This museum, on the 9th floor of the Kokusai Building in Hibiya, near Imperial Palace, has a splendid view over the Moai and Emperor's Palace in the centre of Tokyo. A relaxed atmosphere enhanced by the serving of Japanese tea. Ends Feb 3.

**WASHINGTON**  
Museum of Modern Art Primitivism in 20th Century Art has much good modern work by Picasso, Max Ernst, Brancusi among many others as well as striking tribal objects from Asia, Africa and North America, but the theme itself seems meant to fill space more than provide a better understanding of the primitives or the moderns. Ends Jan 15.

**CHICAGO**  
Museum of Contemporary Art: Celebrating the foresight of local collectors, Onda and Surrealism in Chicago Collections includes more than 300 works by Dali, Ernst, Magritte, Miro, de Chirico, in mixed media including sculpture and photographs as well as paintings and drawings. Ends Jan 27.



## FINANCIAL TIMES

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Thursday January 10 1985

## Long haul in arms control

FROM the political point of view, the U.S.-Soviet agreement to relaunch negotiations on offensive nuclear weapons and to start talks on space and defensive systems should be a cause of reassurance all round. The world has long demanded an end to sabre-rattling and a reduction in international confrontation. The superpowers have now concluded, no doubt with mixed motives, that it is in their own interests to resume that form of dialogue which is encapsulated in the arms control process.

But there is no denying that these may well prove to be the most complex, and quite possibly therefore the longest, of all the arms control negotiations which have so far taken place. The bare fact that negotiations are now beginning does not mean that there is necessarily enough common ground to bring them to a successful conclusion.

Part of the reason for this complexity lies in the procedural arrangements which were agreed in Geneva. There will be three negotiations, on strategic nuclear weapons, on intermediate-range nuclear weapons such as cruise and SS 20 in Europe, and on space weapons; but the talks will be handled by a single delegation on each side, divided into three sub-groups. This means a very large, possibly unwieldy, agenda in which the space issues will create unprecedented complications.

## Preoccupations

But the procedural complexities are really only the reflections of the substantive preoccupations of the two sides. The U.S. Administration is concerned by what it regards as the destabilising dangers of the Soviet missile force, which it sees as reduced; Moscow is concerned by what it sees as the destabilising dangers of President Reagan's research programme into new technology for missile defence, which it wants to constrain. Since nuclear stability is founded on acceptance of some predictable relationship between offensive and defensive systems, it is clear that there can be no agreement on the control or reduction of offensive nuclear weapons unless there is also enough of an agreement on the restraints on defensive systems. Very little has emerged about

the substance of the exchanges between the two foreign ministers in Geneva, but that little suggests that it may prove difficult to secure enough of an agreement on such restraints. Mr George Shultz, the U.S. Secretary of State, has publicly admitted that there were differences of view about Washington's anti-missile Strategic Defence Initiative, while the U.S. is committed to observe the restrictions currently in force under the 1972 Anti-Ballistic Missile treaty. It is not prepared to commit itself on its future attitude to missile defence until the SDI research programme has given clearer indications of what could be technologically possible.

## Consultation

The Russians can scarcely condemn the U.S. defensive research programme outright, since they have long had an analogous research programme of their own and they are in any case probably violating the ABM treaty already. Yet there is little chance that they will agree to reductions in their offensive forces with an American Administration which is publicly committed to a new and speculative concept of strategic stability, and none that they will agree rapidly to a new research programme. It is, therefore, extremely encouraging that the U.S. has this week made great efforts to inform, and perhaps consult, its European allies on the Geneva meeting. A long-drawn-out negotiation which may frequently appear stalled will offer Moscow many opportunities for divisive propaganda. It will be essential that intensive alliance consultations take place, and that the maximum European influence be brought to bear on an administration whose negotiating posture appears, at this stage, to be idealistic but unpromising.

## A debt promise unfulfilled

THE SIX months since the London economic summit have produced little if any evidence that industrialised countries were serious in their declared intent to promote a more flexible approach to rescheduling developing country debts.

While commercial banks have broadened their scope of agreements with countries such as Mexico and Venezuela to include debt falling due for several years ahead, governments have generally stuck to their long-established principle of rescheduling only one year's debt at a time.

This is surprising in that it was the summit leaders themselves who laid strong emphasis on such a multi-year approach to London last June; it is also disappointing in that it serves to perpetuate the belief of many debtor countries that the industrial world is ultimately indifferent to their plight.

Industrial governments have so far passed up two opportunities to agree a multi-year package. One was Mexico last autumn and one more recently with the Philippines. Now they are grappling with a third case, Yugoslavia, which on the surface seems the best candidate yet, given that about one third of its \$20bn foreign debt is owed to governments themselves.

Yet here again government creditors are aiming for a one-year package while commercial bank creditors meeting in London this week are expected to agree in principle a \$3.5bn in debt falling due up till 1988.

There are plenty of specific reasons why governments should wish to move slowly in the case of Yugoslavia, and indeed in the other cases that have presented themselves so far. One, which few would dispute, is the principle that multi-year agreements are a concession that a debtor should have earned. From this standpoint Mexico might have qualified, but its official debt is very small and such a rescheduling was never sought. The Philippines, by contrast, has only just reached a first agreement with the International Monetary Fund on an economic stabilisation programme. The government still needs to show a good track

record of implementing its agreement before its request could be considered. Yugoslavia's performance, too, has given rise to some doubts, mainly because of its extreme reluctance to undertake a further IMF programme this year. Without the discipline that such a programme entails, there are fears that its debt rescheduling could quickly lead to lapses in the economic adjustment effort.

## Example

This does not necessarily mean that banks being impatient to get along with a multi-year deal for the same borrower. Their arrangement is likely to contain some exceptional and explicit conditions on Yugoslavia's long-term economic performance and will not involve the provision of new money. Unlike banks, governments normally reschedule interest as well as principal—this is certainly the case for Yugoslavia, which is equivalent to the automatic provision of a fresh money loan. By this token the contribution being made by the two groups of creditors is not as top-sided in terms of burden as it seems.

There is, nevertheless, still a need for governments to lead by example in debt rescheduling. Multi-year rescheduling agreements have the great advantage of eliminating repayment humps a few years down the road. In turn, this can facilitate a borrower's return to international creditworthiness, where it can stand again in the marketplace on its own two feet. Within the next few months another test case is looming in the form of Brazil, which will seek a government rescheduling to accompany the bank agreement now being negotiated in New York. Brazil's economic performance over the past year certainly ought to merit the multi-year privilege. For creditor governments this will then be a chance to show that their Summits declarations were not just empty rhetoric, but a genuine and well thought out attempt to resolve a problem whose ramifications stretch well beyond banking into the preservation of economic growth worldwide.

WORLD OIL GLUT  
Cold comfort for struggling Opec

By Ian Hargreaves

S NOW in Europe in January, in newspaper terms it ranks as a classic "small earthquake in Chile—few dead" story. But the oil market would dearly love to convince itself that Europe's belated and first blast of winter weather has brought a turning point in oil prices.

"This gives Opec a breathing space. Who knows, they may get their act together and head off a massacre in the second quarter," says one oil man. "But I am glad you did not ask me the question last Friday."

Last Friday, in this holiday market, crude oil prices slithered to their lowest levels since the Iranian revolution in 1979. This week, thanks to Europe's winter, they have recovered by between 50 cents and a dollar a barrel.

The upward move brings some comfort to Opec ministers, as they prepare for yet another crisis season at the end of this month, and a further opportunity for the British and Norwegian Governments to delay announcing either the price of Opec oil or the price of oil.

Realistic are the chances of a sustained rise in prices? And what does the market back suggest about the course of Opec and the oil price? The case for higher prices rests chiefly upon two propositions: that the cold weather will last long enough—by which is meant several weeks rather than several days to suck up a large quantity of the oil which was produced in the fourth quarter of last year against the expectation of rising seasonal demand; and that Opec will finally, after a year of gamesmanship, self-delusion and, in some cases, response to domestic economic pressures, genuinely restrict its output to its official 16m barrels a day ceiling.

There is talk in the industry yesterday that on the evidence of the first week of January, Opec's output may be running as low as 15.5m b/d, although the most widespread view is that it is still between 16m and 16.5m b/d. This compares with 16.7m b/d in the final quarter. Such optimistic talk was common last summer, however, just before the market took a new dive.

These days, even those who make the estimates are inclined to acknowledge their own inability. Oil industry guesses about Opec production are mainly based upon counting the number of tankers leaving oil country ports. It is easy to make mistakes. But there is another line to the optimistic case. That is to point to the recent behaviour of the Arabian light spot price, which, as the chart shows, has been stable in comparison with both North Sea Brent and U.S. West Texas Intermediate prices, although still almost one dollar

below the official Opec price. This is due to the fact that the main supplier of Arabian light, Saudi Arabia, has succeeded in preventing too much of the oil finding its way into the spot market—a result largely of its continuing term contract arrangements to sell supplies to the four U.S. oil companies who have preferred access to Saudi crude as a result of their membership of the Aramco partnership. The strong rumour in the oil market this week, however, is that at least two of the Aramco partners—Chevron and Mobil—have chosen not to lift Saudi oil in January and that the others have cut back.

The Saudis thus have the choice of trying to dispose of their surplus production in the spot market, which they know would be disastrous for prices and counter-productive to the country's Opec diplomacy, or producing less. Many in the industry believe that the Saudis will be content for at least a period to accept such an additional cut in production. January estimates of Saudi output range from 3m to 3.5m b/d, compared with 4.4m b/d last year.

The effectiveness of such a measure, however, even if implemented and sustained long enough to make an impact on the market, could easily be destroyed by overproduction from any of Opec's less quota-conscious members. That presumably is the main reason why Opec has been reluctant to agree a modest change in the price differentials between heavy and light Opec crudes—a measure of virtually no significance to the real price of oil, but useful currency for hoarding inside Opec.

Defence of the quota ceiling is also the reason why Opec has made such great play of its plans to set up an international police force to patrol quotas. Since no sanctions appear to be envisaged against quota-busters, the main purpose seems to be a deepening of oil ministers' clout in their own countries. Great care was taken during the two-stage Opec meeting over Christmas to secure top-level support for the scheme. The plan also no doubt has a public relations purpose, since dashed by the sceptical market response. "If you believe it, you will believe anything," said the headline in the latest bulletin issued by one London Opec-watcher.

The case for doubt about the sustained price rise or even price stability thesis is, however, somewhat more formidable. The main background factor is gently rising non-Opec production at a time of weak demand—developed world oil consumption is expected to rise by at best 1 per cent this year, compared with a rise of 2.7 per cent in 1984. Fourth quarter demand last year was up only from the fourth quarter of 1983, thanks to mild weather and the

global switch from oil to other fuels, which has continued unabated in the last year in spite of weakening oil prices.

But the deeper worry for those with a vested interest in higher oil prices is the state of the eastern seaboard spring and in the case of the UK miners' strike, that sudden additional demand for one product—heavy fuel oil, the bottom of the refining barrel—leads to further overproduction of other oil products which are in plentiful supply.

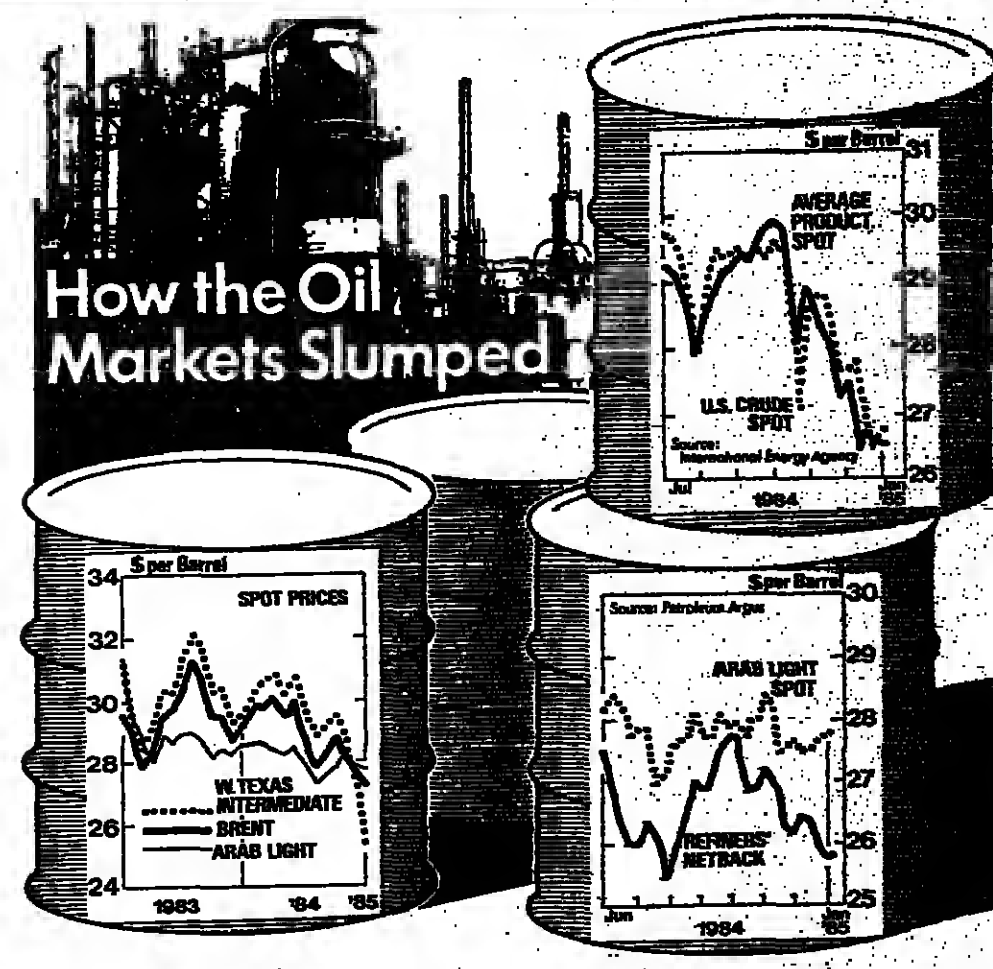
The result is that product prices have been even weaker than crude prices and have tended to create wide gaps between the resale value of the products each barrel of crude is converted into and the spot price of crude oil. The value of the oil products sold—ranging from petrol to power station fuel oil—is known as the refiner's netback.

This divergence between crude prices and netback has been particularly acute since October and is worst of all in the U.S., since the American refiner, buying and selling in dollars, reaps no benefit from currency exchange factors which have protected many parts of the European oil

industry from the problems of falling dollar oil prices. As the chart shows, the tendency of U.S. product prices to fall below the cost of production has been especially marked since late October. Calculations of netback in the U.S. market are more difficult to make, but according to one major oil company the gap has widened since the beginning of January by 17 days of stocks—the lowest level since 1977. Governments hold an additional 19 days supply. The figures for Europe are 32 days of company stocks, with an additional six days of government stocks.

The IEA figures suggest companies are still well within their minimum operational needs and even safely within their minimum commercial needs. They will only start to restock in earnest if they become convinced that oil is cheaper today than it will be in April, a traditional seasonal weak point for prices.

The chances of a recovery in U.S. product prices hinge on the emergence of sudden additional demand—New York yes-



terday was having one of its coldest days of the winter, but the industry is now within sight of the eastern seaboard spring and is unlikely to go in for a major restocking exercise. "People here are talking about sending gasoil (heating oil) to Europe, which is ridiculous," said one New York oil analyst yesterday.

It is perhaps less ridiculous when you examine U.S. oil stocks. At the end of the year, stocks of distillate (the grade of oil which includes heating oil) were 5.4 per cent higher than a year earlier. The general idea that as the

## Europeans blame Opec for lack of discipline and the Americans for misreading the market and overstocking

weather gets colder the world faces an oil stocks crunch—an idea much canvassed in December by Opec—is probably equally misplaced. According to the latest figures from the International Energy Agency, published yesterday, oil companies at the beginning of January held 71 days of stocks—the lowest level since 1977. Governments hold an additional 19 days supply. The figures for Europe are 32 days of company stocks, with an additional six days of government stocks.

The IEA figures suggest companies are still well within their minimum operational needs and even safely within their minimum commercial needs. They will only start to restock in earnest if they become convinced that oil is cheaper today than it will be in April, a traditional seasonal weak point for prices.

Caught between these pressures, the oil industry and

governments of oil exporting countries are inclined to blame each other for the problem. U.S. refiners have recently called for tariffs on imported oil to protect jobs, companies and U.S. energy security. Mr Oscar Wyatt, chairman of Coastal, a leading refiner, recently reflected the mood of the industry when he told a conference in Houston:

"The continued wide-open production of the North Sea and Britain's policy to sell the oil at whatever price the spot market will bring has been the most substantial factor in the deterioration of the market, particularly the spot market and this will come right back home to our domestic market." Meanwhile, European refiners blame Opec for lack of discipline and the Americans for misreading the market and overstocking.

Unhappy U.S. refiners, however, are not likely to make much headway with their pleas for protection, since the Reagan administration has made it clear that it favours the idea of lower oil prices. British Government policy seems primarily designed to allow it to wriggle away from the centre of the oil pricing stage.

The approach has involved stonewalling on the underlying issue of whether Britain should have a state oil trader like the British National Oil Corporation to help it manage oil prices, whilst allowing BNOG to go on doing what it must to get rid of the 800,000 barrels of oil, which comes its way each day.

The result is a good deal of confusion. On the one hand BNOG is selling all its oil at prices related to the spot market, according to a variety of formulae negotiated with each country. On the other hand, it has been told by the Government not to declare the price it will pay for January supplies—a figure which will instantly become, whether the Government likes it or not, the new official BNOG price.

It may well be that BNOG will continue in this limbo until beyond the end of the month

and Opec's next ministerial meeting, by which time Ministers hope the price of oil will have risen further and Britain will be able to shuffle towards the next phase of its pricing policy in a calmer atmosphere. The other advantage of delay is that if the price BNOG pays for January oil is fixed retroactively, the Government will know exactly the size of any trading loss BNOG would face by paying a higher price to suppliers than it gets from customers. Given the parliamentary criticism of last year's £45m subvention to BNOG, that may save some embarrassment.

Energy ministers are, undoubtedly predisposed to retain BNOG and to cling to their influence. In the pricing of Britain's most valuable commodity, BNOG would like freedom to negotiate around spot-related formulae for all its transactions.

Elsewhere in Whitehall, more radical voices think BNOG should be abolished. Others think, with some support from the oil industry, that the time has come for Britain to offer what Opec would most like—some restraint of production. Norway's policy is similar to Britain's: to keep out of the limelight and keep the oil revenue rolling in. Meanwhile Opec still threatens a price war if either of the North Sea producers publicly do more to upturn the pricing apparatus.

"It's like high noon every day," says one oil company. "Except that for anyone on the street to pull the trigger would be suicide." The best hope for those who fear a collapse in oil prices is that this atmosphere of sustained crisis will, assisted by cold snap, be sufficient to mould Opec into a unity it has lacked since the last major pricing crisis in 1983.

If it does not, the possibility of deregulated U.S. gas prices and a weakening U.K. coal strike cutting further into oil demand as spring arrives is a prospect no one with a stake in an oil price above \$20 a barrel can face with any equanimity.

## Treasury to and fro

The Treasury has started the New Year with a reshuffle of middle ranking officials which is causing more than a flutter of interest among Whitehall watchers, especially as moves are still officially classified as secret (sort of).

A casual call yesterday to the office of Rachel Lomax, the incisive assistant secretary for monetary affairs, elicited this guileless reply: "She's already moved, you know, to the Chancellor's office."

A little casual sleuthing uncovered the further fact that David Perez, the Chancellor's bustling private secretary has also moved—to Mrs Lomax's old desk.

A cursory analysis of the cigar ash in the corridors of power enables me to deduce that these moves are only the start of a more extensive shuffling of Treasury talent later this year.

David Perez, it appears, is earmarked for promotion to under secretary to take over monetary policy from Tim Lankester. Lankester is to move to Washington as the Treasury's top man there. He will take over from Nigel Wicks, who is returning at the end of his

## Men and Matters

spell in the land of Reaganomics to run the Treasury's central policy unit back in London. The present head of the central unit, Tony Battishill is expected to return to the Inland Revenue where he has been since he left his star post in the constellation of under secretaries.

For Mrs Lomax, who, in a manner of speaking, started it all, the move will mean long hours, late nights and hectic travelling to international meetings. As one insider remarked: "The only person who keeps horse hours is the Chancellor himself."

## ICI's banker

Another director of merchant bankers Schroder Wagg is on the move to the Industrial sector. Less than a week after Hugh Ashton's departure to the board of Hanson Trust, John Reynolds is to join ICI.

Reynolds's move, though, is temporary. He is to take a year's secondment to ICI as the fourth member of the group's high-powered acquisitions team. Given that Schroder is already ICI's chief financial adviser (the other being Werburg), it is clear that ICI wishes to clasp the bank's financial expertise close to its bosom.

The other three members of the new acquisitions team—which was closely involved in ICI's \$750m takeover of Bestrice Chemicals last month—are all ICI men: David Nibb, formerly ICI's assistant treasurer, John Dewhurst, a commercial manager in the UK and Europe, and Nick Ledger, an assistant manager in ICI's investment department.

Reynolds (36) was made a director of Schroders in July of last year, and has since been mostly occupied with the £20m London flotation of U.S. hi-tech

company Process Systems, which took place in December. But eight years ago he was involved, in a junior capacity, in ICI's sale of its controlling interest in ICI.

"As a merchant banker," he says, "it's fascinating for me to get into the heart of an industrial group like ICI—I'm sure they're going to go for more acquisitions, and sizeable ones too."

Before his recent return to the UK, Reynolds was based in Hong Kong as head of corporate finance for Schroder Asia. "I was there through the boom and the bust in the Hong Kong stock market," he says.

"On the way up, I had to deal with big corporate acquisitions; on the way down, I had to deal with rescheduling corporate debt." One truth that only the first part of his expertise will be required at ICI.

## New trends

Once a year, the Government's statistical service makes up for all those boring figures it produces by publishing Social Trends, which shows the changing pattern of British life in a wealth of charts, tables and graphs.

It used to be issued just before Christmas, providing a fascinating stockpile of figures into which you could dip time and again to discover odd facts like how long you have to work to pay for a pot of tea.

The publication is now 14 years old, and as Sir John Boreham, permanent secretary in charge, said yesterday, it is "not yet, therefore, a school leaver" (table 3.10). In fact Social Trends almost failed its 11-plus. There was a move in 1981 to kill it off.

But this year's edition will be the last for Sir John. One of Whitehall's most cultivated civil

servants. He is retiring in July, which means he will be moving statistically from table 4.1 (labour force and population of working age) to table 2.4 (pensioners).

He has been in charge of government statistics since 1978 and has been calculating away in government departments for 34 years.

His successor will have to face the challenge not only of continuing to produce the best available picture of how we live, but of containing the cost. This year's edition is the fourth consecutive Social Trends of the same price—£19.95—and it is doubtful whether this can be maintained for much longer without skimping the contents.

## Chicago's show

London gets its first chance for over 30 years to see the works of the Russian artist, Marc Chagall, from tomorrow—thanks to his long friendship with an American banker.

William Wood-Prince, a director of the First National Bank of Chicago, met Chagall—now aged 97, the last survivor of the pioneers of modern art during the 1940s when the artist was living in the U.S.

They have been friends ever since, and Chagall about 22 years ago designed a mural, The Four Seasons, for the plaza outside the bank's offices in Chicago.

When First Chicago heard that the Royal Academy was looking for a sponsor for an exhibition of Chagall's work, the bank promptly volunteered. "We are very pleased that our first venture into sponsorship in the UK should be one in which we have such personal ties and interests," says William Curran, chairman of First Chicago's London merchant bank.

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Thursday January 10 1985



## AUSTERITY BUDGET FORESEES SHARP FALL IN DEVELOPMENT SPENDING

## Indonesia to minimise borrowing

BY CHRIS SHERWELL IN JAKARTA

INDONESIA, one of Asia's largest foreign borrowers, will borrow in the commercial market this year only on a small scale and in order to keep a presence there, according to Dr Ali Wardhana, the country's Co-ordinating Minister for the Economy.

He was speaking yesterday, about the austerity budget presented to parliament by President Suharto.

The budget foreshadowed a sharp 7 per cent decline in real development spending as the country, Asia's largest oil and gas exporter, continues its painful adjustment to slow world growth and a soft petroleum market.

Figures released with the budget project a further significant improvement in Indonesia's balance of payments on current account to \$2.53bn for the current fiscal year to April.

That compares with \$1.45bn in 1983-84, which would have been far higher had the Government not acted to deal with the impact of falling oil prices by devaluing the rupiah and rescheduling dozens of high capital-intensive projects in 1983.

It is clear that containment of the

current account deficit remains a priority in Indonesia's overall economic strategy. Projections for 1985-86 forecast only a marginally higher deficit of \$3.4bn, which is smaller than that foreseen by the five-year plan which began less than a year ago.

Dr Ali Wardhana declined to specify the extent of Indonesia's commercial borrowing in 1985, but the total seems unlikely to be much more than a few hundred million dollars at best. "It will be small amounts," he said, "if the terms are right and the market is favourable."

That is well below the \$1bn level indicated by the World Bank last year as tolerable annual commercial borrowing over the 1984-87 period, but it must be seen against Indonesia's highly successful forays into the international market in 1984.

Dr Ali Wardhana confirmed that none of the \$750m loan secured last February had been drawn down, nor the \$400m loans arranged in mid-year. About a fifth of the \$1bn borrowing raised in 1983 also remained unused.

Indonesia also has a \$800m re-

volving credit facility available for its use, a stand-by by Rp 100 billion which was arranged in dollars and yen last September. This also represents a cushion against a further sudden decline in the oil price, which remains the key determinant of the state of the country's accounts.

Indonesia's debt problem, although under control, nevertheless persists. Monday's budget confirmed that the Government's debt service payments in 1985-86 would rise by almost a third to Rp 3,500bn (about \$3.3bn at current exchange rates), more than 28 per cent of its recurrent expenditure.

Total medium and long-term public debt is now above \$24bn, making Indonesia Asia's third largest debtor, although both the maturity structure and breakdown between concessional and commercial borrowing are regarded as more than satisfactory.

The debt service ratio, for public sector debt and net of oil imports, is now thought to be around 23 per cent. Until recently it was expected to rise further over the next two-to-three years. In November, however,

the Government ordered a ceiling on export credits of \$1.5bn in the current year.

That decision, a reflection of the way export credit repayments had grown, was designed to contain the debt service figure. Dr Ali Wardhana said that, while debt service payments would rise again in 1986-87, the amount of the increase would be far less than in 1985-86.

Those decisions and the cautious, conservative approach of Indonesia's economic policy makers, have earned the country an excellent credit rating in the international capital markets, despite the gloomy oil picture. The Government appears determined to maintain this standing.

The Government also feels it cannot afford to loosen up domestically for fear of jeopardising the gains already achieved - a view shared by international bankers if not by those in domestic industry and commerce. Dr Ali Wardhana was adamant yesterday that, with world economic growth and the oil outlook uncertain, the external position had to remain a prime determinant of strategy.

## UK stock exchange body fails to agree on reforms

By John Moore in London

A COMMITTEE responsible for a radical reform of the constitution of the London Stock Exchange is to meet today in an effort to produce proposals which will gain the approval of the 52 members of the exchange's ruling council.

The move follows a meeting of the council yesterday at which an agreement was reached on important points of detail about the proposed constitutional changes.

The changes have been triggered by the regroupings taking place among British securities firms and the involvement of banks and other financial concerns with stockbrokers and stockholders (market makers).

At the second meeting this week of the ruling council there were wide-ranging differences of opinion over the amount of money outsiders should pay for entry to the stock exchange and the question of possible compensation payments to existing members.

Mr George Nissen, the senior partner of stockbrokers Pender and Boyle and chairman of the six-man ad hoc constitutional committee, said that yesterday's three-hour meeting of the council had "been thoroughly useful. The council appears to agree on the main philosophical points of our proposals, but obviously there are an infinite number of ways in which we can achieve our objectives which are extremely complex."

The committee is attempting to reconcile two main views of the council and the stock market. Those representatives from firms which have not forged outside links with banks and other financial groups argue that the existing membership owns the stock exchange and that those outsiders seeking access should pay a fair price for the use of the market's facilities and for gaining a proprietary role in the exchange.

The counter argument, which is largely advanced by those representatives of securities firms which have forged links with outsiders, is that the cost of entry should not be prohibitive.

In an effort to reconcile the two views there has been considerable discussion about a compensation plan for the existing membership in an attempt to head off possible opposition. No definitive agreement has been reached on these details nor the method of implementation.

The constitutional changes will be put to a meeting of members in the next few months following the publication of a stock exchange White Paper (policy document) which will detail the options and the background behind the proposed plans.

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## THE LEX COLUMN

## Weak link in the Asda chain store

It was a cautious Associated Dairies Group that presented its interim results to the City yesterday. At £53.7m, pre-tax profit for the 28 weeks to 10 November was some way below expectations, sending analysts scurrying to recalculate their sums for the full year. It seems that nobody quite realised how serious the effects of the miners' strike and the milk shortage would be on trading perhaps not even the company, which made no attempt to talk the market down in advance of the figures.

But there is a case for saying that these results are a hiccup. Neither the miners' strike nor the drought could be helped, and the other disappointing trading performances came from Wades Departmental Stores and Wallbridge Carpet Mills, which either have been, or are about to be, sold off. Investment income was some £2m below expectation as capital expenditure overtook cash flow. Since the end of the last financial year, Asda was generating a return on capital of around 30 per cent, it would be ungracious to caviar at the company's running down its cash pile - particularly since that will be boosted soon by the proceeds of the Wades sale.

The underlying performance of the group was perfectly respectable. Asda Stores, which contributes over 80 per cent of profits, saw a real volume gain of 2.6 per cent on existing stores, rising to 6.5 per cent when new stores are included. And margins rose from 4.75 per cent to 4.9 per cent. Allied Carpets, meanwhile, is forging ahead.

In the short term, the shares which fell 10p to 148p yesterday, may be dampened by the miners' strike. But on a multiple of around 17, several points less than J. Sainsbury, they do not look outrageously expensive taking a longer view.

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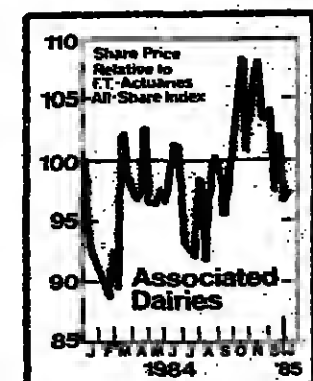
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The rise in the Hanson price has further depleted PD's limited armoury. The bid stands way above PD's historic cost per share value and within striking distance of current cost net worth. So the target has had to concentrate its arguments on a profits recovery of recent provenance and the loss of income which would follow from acceptance.

A profits forecast of £18.5m pre-tax - or £22m after stripping out the effects of the miners' strike - for the year to March is perfectly respectable but will not cause Lord Hanson to lose his sleep. The key question is whether, in the next week, PD can persuade the institutions that its existing management can produce a sustainable return on capital high enough to justify the share price at its present level.

As an amalgam of activities not wholly dissimilar from Hanson, but with nothing like the record, the company faces an uphill struggle in the London stock market.

## Conflicts code

The Council for the Securities Industry has launched a complete draft code of conduct on conflicts of interest, and it may derive some comfort from the likelihood that it will not be around to put it into practice. That dubious pleasure will be enjoyed by the new quasi-judicial investor protection authority and its various subsidiary agencies.

The CSI is certainly taking a tough line, with promises of monitoring and disciplinary machinery, and spot sweeps by investigators to keep practitioners up to the mark.

The CSI has taken a fairly relaxed view of conflicts of interest in the past, to invest such as the combination of investment management and new issue flotation under one roof. Now, however, the prospect of multiplying conflicts as a result of the City revolution is plainly causing some alarm in high places.

The draft code is a fair first attempt, though it inevitably suffers from an excess of broad principles such as "the practitioner must at all times act fairly towards his client". In practice, more specific codes will have to be developed over the years for different types of activity.

At any rate, the paper industry should benefit from the provision that "full and fair disclosure of all material facts, and interests shall be made to a client before entering into any transaction or giving advice."

## Hanson Trust

The London stock market has contributed more to Hanson Trust's pursuit of Powell Duffryn (PD) than a library of offer documents could ever have done.

Hanson's exquisite timing guaranteed PD and its advisers an unhappy Christmas but, since the bid was first announced, their problems have been compounded by a rise in the Hanson share price which has added 18 pence to the value of its all-paper offer.

Yesterday's defence document was a bold and carefully argued affair but it made no impact on a market which to judge from the relative share prices, already has grave doubts about PD's future as an independent public company. The PD price finished the day unchanged at 438p, 10p shy of the Hanson offer.

## SGT/P&amp;O

Yesterday's suspension of the P&O and SGT shares was one of the less surprising incidents of the day. Sir Jeffrey Sterling has prepared the ground so carefully in the past few months that even before yesterday morning the only question in London's mind was who would take over whom and at what price.

A takeover of SGT by P&O seems to be the preferred route, not least because it would avoid difficulties with P&O's charter status. Moreover, as P&O is still the more vul-

## Israeli shipping line to seek state aid

BY DAVID LENNON IN TEL AVIV

ZIM, Israel's largest shipping company, with its serious financial difficulties with debts totalling \$510m, is expected to appeal to the Government for help.

Half of the debt is owed to Israeli commercial banks. If the shipping company collapses it could cause serious problems for the country's troubled banking system.

The company will need government guarantees in order to obtain additional credits. Mr Haim Stoesel, chairman, told the Knesset (parliament) this week. At present the Government guarantees \$110m of the loans taken by the company. Zim's annual revenue exceeds \$700m, 60 per cent of it generated overseas. The company made an operating loss of \$26.5m in 1983, however, and is reported to have lost over \$40m in the first half of 1984.

The company maintains worldwide cargo services with a fleet of about 100 vessels with a combined deadweight tonnage of 2m. Its container fleet is estimated to be the second largest in the world. It employs 3,000 seamen and 1,500 workers ashore.

Mr Haim Corfu, Transport Minister, said: "A survey carried out by the company shows that cuts in staff, both at sea and on land, are necessary. American ships of the same size as those operated by Zim are operated by a staff of 21 compared with the crew of 31 on the Zim ship."

While the shipping line is not a government company, the Transport Minister said a request for aid would be considered, and "if the company really makes an effort to

become more efficient and profitable, we will help it."

The Israel Corporation, which belongs to the multi-millionaire entrepreneur Mr Shaul Eisenberg, owns 50 per cent of Zim. Mr Eisenberg also owns the majority holding in the bankrupt Ata textile plant which is being kept afloat temporarily by the Government while a buyer is sought.

Forty per cent of Zim shares are held by the Government and the remainder by Hevrat Ovim, the industrial arm of the Histadrut, Israel's trade union federation.

Zim had managed to maintain profitability for many years despite the worldwide crisis in shipping, but falling revenues and a relatively outdated fleet plus investments in new ships pushed it into very rough financial waters.

Zim, which owns 49 of the ships it operates, is considering a recovery programme based on moving away from ownership to leasing according to need.

Another Israeli company reported to be in serious trouble is Beit Shemesh Engines, 40 per cent of which was purchased last May by United Technologies of the U.S., which owns the engine manufacturer Pratt and Whitney.

Beit Shemesh is scheduled to produce several hundred PW 1120 engines, under licence from Pratt and Whitney, for the Israeli military aircraft being developed by Israel Aircraft Industries.

After losing \$40m last year, the company has an accumulated debt of \$60m.

Government backs Brazilian shipyards, Page 4

## Big freeze threatens E. German industry

BY LESLIE COLT IN EAST BERLIN

EXTREME weather has caused a critical break in the flow of East Germany's lifeblood, lignite, and led to the interruption of power output.

The closure of one of East Germany's largest power stations, which, like all the country's electricity plants, is fuelled by the brown coal, illustrates the problems of a modern economy based on low quality but abundant fuel. Extreme cold weather in the winter of 1978-79 caused coal supplies to freeze, production to plunge and heavy losses among livestock.

Boxberg power station, in Cottbus district near the Polish border,

stopped feeding electricity into the East German grid on Monday night. The 350 MW plant is fuelled daily by more than 80,000 tonnes of brown coal moved by rail from nearby open cast mines. Temperatures of -27°C in Cottbus however, caused conveyor belts and rail tracks in the mines to freeze.

Factories in East Berlin and other cities were without power for most of Tuesday. Thousands of workers, soldiers and policemen in Cottbus worked to unfreeze the mining equipment by late Tuesday night.

The continuing very cold weather remains a daily threat to production

of lignite and its transport to power stations. The coal, which has a water content of up to 80 per cent, freezes in unheated railway wagons. Stocks at power stations have grown since 1978-79, but they become frozen hills which must be blasted apart.

East Germany would like to switch its power stations to hard coal, but it has none. Neighbouring Poland needs all it can spare to ship to the West for hard currency, while East Germany cannot afford to import more coal from West Germany. Oil for producing energy is out of the question as the Soviet Union has already cut oil supplies by 10

per cent to 11m tonnes annually. Nuclear energy is being expanded, but not quickly enough.

Last year, East Germany mined 295m tonnes of brown coal, a world record it is proud of but would rather do without. Production is planned to rise to well above 300m tonnes annually in coming years to meet the demand of power stations and briquette coal plants. One important consequence is that air pollution, already among the worst in Europe, will become even more acute as East Germany does not have the money to install effective anti-pollution measures.

## Demand for oil set to exceed Opec ceiling

Continued from Page 1

oil stocks - provide Opec can assert tight discipline over output.

A prolonged bout of cold weather in the Northern Hemisphere could also be of crucial importance to its chances of maintaining an equilibrium between supply and demand.

Within the industry there is debate on to what extent inventories can be run down further without their falling below minimum operating levels or statutory obligations. The general consensus is that the reduction would not be more than 2m b/d in the first quarter.

The IEA calculates an average drawdown during the fourth quarter of 1984 of 800,000 b/d, with government stocks (mainly those of the U.S. and Japan) falling by 400,000 and those held by companies by 1.2m b/d.

At the end of last year total stocks held on land in member states of the Organisation for Economic Co-operation and Development were equivalent to 90 days of forward consumption compared with 92 days at the end of 1984, according to the IEA. Those held by companies were down from 75 days to 71 - the lowest level for eight years.

The IEA estimates that oil consumption outside the Communist world increased by 2.4 per cent in 1984 compared with the previous year. The increase in supply of 1.4m b/d required to meet it came "almost entirely" from non-Opec producers.

Opec's crude supplies during 1984 as a whole are reckoned by the IEA to have run at 17.2m b/d.

## P &amp; O in final stages of merger negotiations

BY MARTIN DICKSON IN LONDON

PENINSULAR and Oriental Steamship Navigation (P&O) and Sterling Guaranty Trust, the UK property and services group, are in the final stages of negotiating a £750m (\$835m) merger.

Shares in the two companies - both of which are headed by Sir Jeffrey Sterling - were suspended on the London Stock Exchange yesterday as their financial advisers worked out the details of terms which are likely to be made public early on Monday.

A merger had been widely expected after Sir Jeffrey's appointment as chairman of P & O in November 1983 and his successful defence of the company against a takeover bid by Trafalgar House, the British shipping and construction group.

A merger would bring together two companies whose traditional businesses - shipping and property - are very different, but which have diversified into related fields.

P & O receives about 25 per cent of pre-tax income from Bovis, its construction subsidiary, while service industry activities - such as catering and industrial distribution - account for an increasing proportion of Sterling Guaranty's earnings.

P & O has a market capitalisation of £683m at yesterday's suspension price of 325p, compared to £30m for Sterling Guaranty, whose shares were suspended at 74p.

Sir Jeffrey said yesterday that, when combined, the two would form a "very powerful company with a strong balance sheet." Both were basically service companies

"offering a particularly good mix of management skills and synergy in rather exciting areas."

City of London analysts, while reserving full judgement until they saw the terms of the deal, were equally enthusiastic about the strategic logic of a link.

Mr Alan Kelsey of brokers Kitcat and Aitken, said: "It has got to be good news. P & O has very strong cash flow and under-utilised assets which good management could do much with."

The expectation in the market last night was that the merger would take the form of a bid by P & O for Sterling Guaranty, rather than the creation of a new holding company, and that the terms were likely to be around one P & O share for every five of Sterling Guaranty.

Sterling holds a 20 per cent stake in P & O and there was speculation that it would sell this via a placing in the market before concluding the merger.

Institutions are believed to hold more than 50 per cent of the equity in both companies and their attitude to the merger terms will be vital. The indications last night were that institutional investors saw much to commend the logic of the alliance.

Both companies have prospered under Sir Jeffrey's leadership. After the UK property crash of 1974 he nursed Sterling Guaranty - then called Town and City - back to pre-tax profits, which reached £16.4m last year. P & O saw pre-tax profits in the first half of 1984 more than double to £21.1m under his leadership.

## Soviet sales hit recovery in diamonds

By Kenneth Marston, Mining Editor, in London

CUT-PRICE sales of good quality Soviet polished diamonds in Antwerp partly stalled the recovery in the world diamond market last year. They competed with gems from Western sources which, priced in strong U.S. dollars, became expensive in terms of European currencies.

The Soviets later reduced their sales of polished diamonds to more normal levels at higher prices, but they still had an impact on the world sales of rough (uncut) diamonds handled by the South African De Beers group Central Selling Organisation



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## SECTION II - INTERNATIONAL COMPANIES

## FINANCIAL TIMES

Thursday January 10 1985

Control Technology  
You'll find it at  
**Fenner**  
Systems Engineering  
Hull, England.

Slowdown  
at Colt  
in fourth  
quarter

By Our Financial Staff

COLT INDUSTRIES, the diversified U.S. industrial products manufacturer, yesterday reported reduced earnings growth in the fourth quarter, with some divisions beginning to feel the effect of the slowdown in the U.S. economic recovery.

Net earnings, edged up from \$30.8m or \$1.23 a share to \$35.4m or \$1.60 a share, while revenues rose from \$417.8m to \$487.1m. This took net earnings for the year to a record \$132.2m or \$5.90 a share from \$99.2m or \$4.01, while revenues advanced from \$1.58m to \$1.57m.

Mr David Margolis, president and chief executive, said: "All four of our industry segments were up in both sales and operating income and most divisions posted gains over 1984."

Gains in operating income in the first three quarters of the year were greater than in the fourth quarter.

The company's total order backlog was up 5 per cent at the year end, compared with the year before.

The slowdown in earnings growth had been expected on Wall Street, and in early trading yesterday Colt's shares edged up 5% to \$51 1/4.

Colt's products include vehicle parts, aerospace products, diesel engines, pumps and special steels.

Military, car and truck markets are expected to remain strong contributors this year, while more active commercial aviation markets may boost demand for landing gear and jet engine parts.

● Parker Pen, the leading maker of high quality writing instruments, reported net earnings for the third quarter down from \$5.14m or 30 cent a share, to \$4.83m or 28 cents. Nine month earnings also fell, from \$15.16m or 80 cents a share to \$14.34m or 74 cents. The latest nine-month figure includes an extraordinary gain of \$991,000.

Revenues for the quarter increased from \$145.8m to \$152.4m, and for the nine months from \$538.4m to \$547.8m.

U.S. agency gives  
go-ahead to FCA  
recovery plans

By Our Financial Staff

FINANCIAL CORPORATION of America (FCA), the U.S. thrift institution which came close to collapse last summer, received a boost for its recovery strategy when U.S. government regulators approved its plans to reduce its assets to about \$24.5m from about \$32m.

FCA said the Federal Home Loan Bank Board, "responded favourably" to the company's 1985 business plan, which also provides for the raising of net worth to 4 per cent of assets by the end of the year, in line with regulators' wishes.

However, Mr William Popejoy, who replaced Mr Charles Knapp as FCA chairman last year, warned: "We realise that we have set ambitious objectives for this year which can only be met if a reasonably favourable interest rate climate prevails in 1985."

"We feel the achievement of the 4 per cent net worth requirement is an essential goal in rebuilding the

strength and vitality of this institution."

Mr Popejoy said the company believed the plan would increase the financial strength of American Savings and Loan, the main operating subsidiary, and reduce its exposure to interest rate risk. FCA's problems stemmed originally from a serious mismatching of assets and liabilities.

Other objectives for American Savings include:

- Completion in early 1985 of an independent review of the company's property portfolio to determine the adequacy of loan loss reserves;
- Meeting or exceeding regulatory liquidity requirements on a monthly basis throughout 1985;
- Reducing the one-year gap between rate sensitive assets and liabilities;
- Maintaining the stability of savings deposit flows;
- Continuing to reduce the premium paid for savings.

Tidewater rejects  
Jacobs takeover bid

By Terry Byland in New York

THE PROPOSED \$415m takeover of Tidewater, the oil rig service group, by an investor group led by Mr Irving Jacobs, has been rejected by the Tidewater board.

Mr Jacobs, who is barred from launching an unfriendly bid by a standstill agreement, said he expected the two sides to convene again today. "I hope we can continue to have a dialogue," he said. He had not "given up" on his offer of between \$25 and \$28 a share, which he described as fair.

The Tidewater directors said the offer "did not reflect Tidewater's value," also indicating that it rejected the programme of asset sales imposed as a condition of the offer.

"The required sales would have stripped the company of its oil and gas compression businesses. Mr

John Laborde, chairman of Tidewater, said the board was advised that it was highly unusual for a bid to be conditional on such major corporate changes.

The Jacobs group holds 8.9 per cent of the Tidewater equity and is barred from taking more than 15 per cent under a standstill agreement in force until next October.

Tidewater stock eased 5% to \$18 1/4 after the board's announcement, which had been expected on Wall Street. When first proposed in early December Mr Jacobs' terms were well above the stock market price and pushed the stock over \$23 at one time.

Wall Street analysts, while not unhappy with the bid terms, had, however, sensed the Tidewater board's intended rejection.

Midland  
Bank  
ratings  
lowered

By Our New York Staff

MOODY'S and Standard & Poor's, two of the major U.S. credit rating agencies, have downgraded certain of the Midland Bank group's debt obligations. The moves follow continuing problems at Crocker National, the UK group's ill-fated California banking subsidiary.

The downgradings, which will make it more expensive for Midland to borrow in sections of the U.S. credit markets, come less than a week after Crocker revealed that worsening loan problems had forced it into a further \$214m loss in the 1984 fourth quarter, bringing its total losses last year to \$334m.

Last week Midland disclosed that it had been forced to invest another \$250m in Crocker and make available to the company more than \$100m in interbank credits.

Moody's has lowered its ratings on Midland American Capital's guaranteed notes from AA2 to AA3. The notes are guaranteed by the UK parent, Moody's also lowered its rating of \$250m in unsecured Midland debt filed under a \$400m 1983 shelf registration.

The rating agency said the downgrading reflected its belief that Midland's investment in Crocker "will continue to provide disappointing returns to Midland for the intermediate future."

Moody's added: "The investment, which now totals \$1.2m, has resulted in an inordinately large distribution of Midland's capital resources to Crocker and has impaired capital formation."

Moody's also noted: "Midland's profitability and asset quality, excluding Crocker, continue to improve." Midland's top-notch Prime-1 rating for commercial paper remains unchanged.

Standard & Poor's is lowering the subordinated debt ratings on Midland to A from AA-minus and the commercial paper ratings of the bank and its wholly owned Canadian subsidiary to A1 from A1-plus.

The changes also affect related letters of credit backed by the banks.

Diamond chief says merger  
unacceptable to shareholders

DIAMOND SHAMROCK chairman Mr William Bricker said yesterday that the directors unanimously rejected a proposed \$30m merger with Occidental Petroleum because the final terms were unsatisfactory to shareholders.

Mr Bricker explained that initial discussions indicated the proposed one-for-one exchange of stock would give shareholders a premium of \$6 to \$7 a share and a larger dividend.

The value of the deal dropped, however, when Occidental's stock declined after the merger talks were confirmed last Friday.

"Rather than \$6 or so, they would be receiving significantly less," Mr Bricker said.

The board objected to the extent of management changes proposed in Diamond Shamrock, which would have become a wholly owned subsidiary of Occidental.

"The board decided barrels of oil are not all we should look at, because you have to have a management team that can turn those barrels into dollars," he said.

Mr Bricker said that at first he had favoured the merger, but his mind was changed on Monday during an intensive review of the proposal at a 4 1/2 hour board meeting.

Until then directors had only had access to "a small batch of public literature," he added.

Mr Bricker said he would have not been part of the merged company, but instead would have been reimbursed with \$5.2m for the remaining six years of his contract.

Occidental stood to benefit by getting a group of high quality assets, financial flexibility and "top-flight management people," Mr Bricker said.

Mr Bricker said Diamond Shamrock "definitely" was no longer for sale.

Occidental is the 13th largest U.S. petroleum company ranked by assets and Diamond Shamrock, which also has chemical and coal operations, is the 19th largest.

The merger would have created the ninth largest U.S. oil concern.

Reuter

Mitel  
stands by  
switching  
system

By Robert Gibbons in Montreal

MR MICHAEL COWPLAND, chairman of Mitel Corporation, said his company remained fully committed to the SX 2000 switching system but still needed advanced software before the major push could be made in the U.S. market.

Analysts' reports in the past few weeks have suggested that the Canadian group could not stand the huge development costs of the SX 2000 much longer and that it needed a stronger marketing method in the U.S.

The SX 2000, which integrates several thousand lines of voice communication with data and text in a single compact system, was delayed in production for more than a year, mainly because of software problems.

Mitel reported a loss of C\$32.1m (\$24.7m) on revenues of \$263m in the nine months to November 23.

The company's bank credit lines totalling \$100m have been extended from last October 31 to April 30.

Mitel hoped to marry the SX 2000 with IBM office products, but the deal fell through in 1983. IBM shares have bought Rolm Corporation in the U.S., which is expected to announce a competitive product soon.

Mr Cowpland said Mitel have been "in a field trial mood" in the U.S. because the SX 2000 needs more advanced software. The company have sold about 70 units in the UK, but prospective U.S. customers need different software features.

Mr Cowpland said Mitel had signed up three more regional dealers in the U.S. in December and hoped to add several more in the next month.

● Northern Telecom will lay off nearly 400 workers at a major Montreal plant making telephone transmitting equipment, reducing the workforce to 1,900. The company said seasonal factors in domestic and U.S. markets partly explained the move, but in the long term demand for the equipment made at the plant would decline as new technology was introduced.

Axel Johnson sells UK  
oil and gas interests

By Dominic Lawson in London

CHARTERHOUSE PETROLEUM, one of the UK's fastest growing oil and gas companies, is to acquire all the UK oil and gas exploration interests of the Swedish Axel Johnson Group.

In return for an immediate issue of 3m Charterhouse shares - currently worth 104p each - the UK company will acquire interests ranging between 4 per cent and 24 per cent in eight North Sea blocks, two of which contain oil or gas discoveries.

As a result of the deal, Charterhouse will acquire 4 per cent of the Amethyst gas field, and more than 10 per cent of block 29/8b, which has been dubbed the "Acorn" oil-field by its operator, Premier Consolidated Oilfields.

Charterhouse will also gain a 24.2 per cent stake in block 29/8b, which contains a geological structure on the same trend as the 29/8b discovery.

Charterhouse's deal is seen as something of a coup, particularly as another UK exploration company, Berkeley Exploration, last month issued shares to the value of £1m (\$1.4m) to buy only 1 per cent of 29/8b and 1.8 per cent of 29/9b.

Charterhouse is making a habit of buying up the North Sea interests of foreign companies.

Last year it carried out similar deals involving the U.S. company Fluor and the Dutch state company DSM.

Charterhouse said yesterday that it would be spending £4m on exploring the Axel Johnson acreage this year, which is as much as the Swedish company had spent on the properties since 1980.

● Britoil, the UK's largest independent oil company, yesterday said that it was joining in 50/50 partnership with Amex, the U.S. minerals company, in a \$10m acquisition of a mature oil producing area in Texas.

The reserves to be acquired are estimated at 2.3m barrels of oil. Last February Britoil spent \$83m in acquiring 50 per cent of the major portion of Amex's U.S. oil and gas assets.

At that time the two companies formed a joint venture to explore and develop in the U.S.

Britoil plans to make another deal of similar size to the first Amex deal in the near future, in order to develop faster in the U.S.

G&W sells  
off sugar  
interests

GULF & Western Industries, the big U.S. conglomerate, has completed the sale of its sugar and related operations in the Dominican Republic and Florida to a group of investors led by the brothers Alfonso and J. Pepe Fanjul. Terms were not disclosed, but G&W said it recovered the carrying value of the operations at a little more than \$200m.

● NUTRI SYSTEM, the Pennsylvania company which owns and franchises slimming centres throughout the U.S., said an investor group which had agreed to acquire it for \$9 per share, or a total of \$87.3m subject to adjustment, is unwilling to proceed with the deal. The company had given the group an extension until January 18 to obtain the required financing.

● HALL'S MOTOR Transit said a group of executives had acquired a majority interest in the company from its parent Tiger International, the U.S. air freight group, in a leveraged buyout.

Hall's said the group was headed by Mr Alvin Rodford, vice-president for finance and administration, who replaces Mr James A. Cronin as president and chief executive officer. Terms were not disclosed.

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE

9th January, 1985



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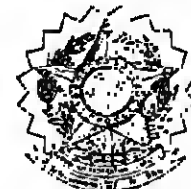
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January, 1985

## Sanyo to launch microchip division

SANYO Electric said yesterday that it would set up a division to manufacture very large-scale integrated (VLSI) circuits for fully fledged operations in the semiconductor field. The Japanese group plans to build a new assembly plant in Gifu Prefecture, central Japan, to fabricate tape arrays and charge-coupled devices (CCDs) at a cost of ¥12bn (\$85m) this year, according to Mr Kaoru Iue, president of Sanyo. He added that Sanyo planned to raise the ratio of semiconductor and electronic components sales to the group's total sales from the present 18 per cent to 34 per cent. The company is hoping to achieve an annual production of semiconductors worth some ¥100bn this year, with an estimated ¥100bn five years later he said.

● Samsung Semiconductor Telecommunications hopes to begin marketing 256K dynamic random access memory (RAM) chips in May this year. Lee Hwal-Yong, general manager of the company's public affairs division, said Samsung had already produced sample chips. He added that the samples had been sent to 78 companies, including 30 U.S. computer makers and 18 European companies.

Samsung started trial production of the chips last October. It is now awaiting responses from prospective clients. The company is the semiconductor maker of the Samsung group, one of the largest business conglomerates in South Korea.

Samsung opened a chip-making factory last year and began exporting 64K D-Ram chips. In 1984, it exported about \$20m worth of the 64K semiconductor chips and has projected that it will export \$120m worth this year, Mr Lee said. Samsung began building a second chip-production plant last August. The factory is designed for mass production of 256K chips. It is scheduled to be completed next month, according to Mr Lee.

Samsung intends to invest 250bn won (\$303m) in its semiconductor business this year and has spent 150bn won on building the second factory, Mr Lee said. Samsung is one of three South Korean companies planning to produce 256K D-Ram chips this year. The other two are Hyundai Electronics and Gold Star Semiconductors.

## Genting to participate in Perth resort development

KUALA LUMPUR — Genting, the Malaysian casino, property, and plantation group, plans to participate in the financing and management of a resort near Perth, Australia, which will include a 400-room hotel, convention and exhibition centres, and a casino.

The Government of Western Australia has granted Tieska Pty the right to develop the site on Burswood Island in conjunction with Dallas Dempster, who will participate through a family company called Dempster Nominees. Genting will manage the resort.

The resort's assets will be owned by a proposed property trust to be known as Burswood Property Trust. The trust's equity will comprise 120m shares of A\$0.50 each and 60m options to subscribe for shares of the same price. Of the equity, 60m shares will be issued to Genting, 60m shares and 30m options to Dempster and 30m options to Tieska.

The public will be invited to subscribe for a further 100m shares in the trust, which will be listed on Australian stock exchanges.

Genting said it expects to

finance its participation in the trust from internal financial resources. It will also issue guarantees totalling A\$15m (U.S.\$12.2m) to financial institutions for a period of two years in relation to financing facilities to be extended to Dempster. Its participation is subject to legislation by the Western Australia parliament.

The company also announced that it has reached an agreement with Alteo Pty to provide management services to a casino to be located in Adelaide, South Australia.

● Bumiputra Malaysia Finance (BMF) in Hong Kong will not be closed down, said Basir Ismail, the chairman of Bank Bumiputra Malaysia (BBM).

It had been reported in Hong Kong that BBM would close its wholly-owned subsidiary because of BMF's inability to collect more than 2.5bn ringgit (\$1bn) it had loaned to Hong Kong property companies, Carrian and Ede and to businessmen in Hong Kong from 1981 to 1983.

BBM also announced that Basir would be the new chairman of BMF replacing K. Muthair Arif. Agencies

## Islamic banking group seeks London licence

BY DAVID RUDNICK

DR SANI EL-DARWISH, chief executive of the Dar al-Ma'ali Islamic Banking Group, said yesterday that DMI continued to be interested in obtaining a deposit-taking licence in London. He added that he understood the reasons why the Bank of England remains wary of admitting Islamic institutions.

DMI's (which was founded in 1981 and is in the process of raising its capital to \$478m) chief said he thought that reservations expressed by Mr Robin Leigh-Pemberton, the governor of the Bank of England, were "completely logical and sensible."

Last October Mr Leigh-Pemberton made a rather bleak statement on London's attitude to Islamic banking (which outlaws interest and rewards depositors in other, more uncertain ways). He said then that since there is no capital cer-

tainty for the depositor as to his original deposit, nor certainty as to the rate of return on it, Islamic banking does not accord with what most see as banking.

Yet DMI's big Islamic banking rival, the Al-Baraka group, has managed to obtain LDT status in London through its acquisition in 1983 of Hargrave Securities, which it re-named Al-Baraka International.

DMI's latest annual report shows that the group made a net loss of \$19.5m in the year ending June 1984, against a loss of \$27.9m in the year ending June 1983.

Dr el-Darwish said DMI was now drawing much more of its income from the provision of long-term financial services, and less from short-term Islamic transactions. Despite the group's losses, he said that about \$120m had been paid out to clients as revenue on their investments.

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142	123	Ass. Bnc. Ind. Ord.	142	—	8.6	4.8	7.9	5.4
149	135	Ass. Bnc. Ind. CULS	149	—	10.6	6.7	—	—
77	59	Amalgamated Group	77	—	6.4	12.0	5.4	7.1
42	28	Amalgamated and Rhodan	41	—	2.2	7.0	5.1	8.9
135	108	Bardon Hill	135	—	3.4	2.8	18.6	22.7
58	43	Bry Technology	58	—	1.5	7.1	6.7	8.1
201	173	CCl Ordinary	173	—	12.0	8.9	—	—
152	114	CCl 11/12 Conv. Pl.	152	—	19.7	13.9	—	—
64	100	Carborundum Ord.	64	—	5.7	0.7	—	—
86	84	Carborundum 7.5% Pl.	86	—	10.7	12.4	—	—
73	71	Cedenco Group	73	—	6.5	10.0	6.1	10.0
240	182	Debon Services	240	—	9.3	4.8	6.5	12.5
206	170	Frank Marshall Pl. Ord	206	—	4.3	14.3	—	—
31	25	Frederick Parker	31	—	2.3	9.9	7.9	8.3
50	33	George Barr	50	—	15.0	7.5	3.8	14.4
80	28	Ind. Processors Castings	80	—	4.8	4.8	4.1	10.3
218	200	Isa Group	200	—	12.7	4.9	10.0	10.0
124	105	Jackson Group	124	—	12.8	13.9	—	—
285	213	James Burrough	285	—	5.0	5.9	6.7	12.3
93	83	John Howard and Co.	93	—	16.0	15.4	—	—
85	71	John Howard and Co.	85	—	3.8	0.7	49.9	47.2
147	100	Lingaphone Ord.	147	—	6.0	15.2	—	—
100	83	Lingaphone 10.5% Pl.	100	—	5.7	20.4	14.7	3.3
800	300	Minihouse Holdings NV	800	—	—	—	—	—
120	31	Robert Johnson	120	—	—	—	—	—
92	28	Scrutons "A"	92	—	—	—	—	—
50	31	Torday and Carls	50	—	4.3	1.2	21.8	26.7
444	370	Troular Holdings	444	—	5.3	5.0	12.6	18.2
27	17	Unicor Holdings	27	—	3.5	7.9	8.4	11.4
95	61	Walter Alexander	95	—	17.4	7.7	2.4	20.8
247	228	W. S. Yates	247	—	—	—	—	—

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**FINANCIAL TIMES**  
EUROPE'S BUSINESS NEWSPAPER





## INTERNATIONAL COMPANIES and FINANCE

## French machine tool makers see brighter start to 1985

BY DAVID MARSH IN PARIS

MACHINES Francaises Lourdes (MFL) and Intelaumatisme, two French government-supported companies set up to group together struggling concerns in the French machine tools industry, are starting 1985 on a slightly brighter note after the vicissitudes of the last two years.

They are benefiting from a recovery in machine tools orders after several years of downturn. And they are making use of the Government's more hands-on approach to industrial restructuring to push through deep workforces, cuts designed to boost efficiency and eventually restore profits.

But they are also living in a more competitive business climate, in which Japanese companies, for long one of the main factors behind the malaise of the "European" machine tools sector, are being brought ever closer into the domestic market.

With profits still some years away from the "poles" of French machine tools are not out of the wood yet.

MFL, France's specialist manufacturer in heavy-duty machine tools, owned by the Government's Industrial Development Institute (IDI) and a clutch of top French (mainly state-owned) industrial groups, is pursuing the hopes on a big export push.

Just back from a round-the-world trip to oversee the installation of an international sales network, M. Louis Tardy, the MFL chairman, says the company's order book guarantees turnover of FFr 600m (\$82m) this year after FFr 515m in 1984. The forecasts have however been heavily revised downwards from previous estimates. An earlier prediction that turnover would soar to FFr 1bn by 1988, almost exclusively due to higher exports, now looks almost impossible to achieve.

MFL has been encouraged by a spate of orders — FFr 200m since the start of 1984, more than 50 per cent have been exports — including deals with General Electric and Westinghouse in the U.S. and Austin Rover in the U.K.

French machine tools orders, in the first nine months of 1984, rose by 24 per cent compared with the same 1983 period. Domestic business (heavily depressed in 1983) grew by 94 per cent, exports by 7 per cent, with 52 per cent of the orders representing numerically controlled equipment, according to the latest figures from the French machine tools industry association.

## Redundancy costs

Intelaumatisme, too, has benefited from the recovery, with its 1984 orders up about 25 per cent, on average. The company expects a turnover of FFr 400m next year against FFr 350m in 1984.

Both MFL and Intelaumatisme are expected to be out of the red by around the end of 1985. They are dependent on continuing help from the Government and shareholders, partly to pay heavy redundancy costs. MFL has cut the workforce of its original battery of four companies from 3,200 in 1982 to 1,350 at end 1984, and plans further cuts this year. Intelaumatisme's staff has been pruned from 1,100 in 1983 to 850 at end 1984, with the total due to drop to 650 by the end of this year as a result of the closure of four plants.

The role of Japanese machine tool makers will

plainly have a key bearing on the French industry in the next few years. French officials now admit that the Government is encouraging some Japanese involvement in the industry as a means of stimulating domestic companies to boost efficiency.

As part of a long-drawn-out restructuring deal to rescue H. Renault Somua (HES), the loss-ridden group, which was once the country's No 1 lathe manufacturer, the Government now favours a takeover by Toyota, the Japanese machine tools company which is part of the Toyota motor concern.

Details of the salvage plan, which officials admit is the only way to prevent HES going out of business, have still not been finalised. They hinge on the possible taking of a stake in HES by Renault, the state car-maker which has strong interests in automated manufacturing systems. Before Christmas Renault signed a robotics collaboration accord with Toyota.

## Strategic alliance

The private sector Empain-Schneider conglomerate, which is still the formal owner of HES, may keep a minority stake. Overall, however, just as in its long running skirmish with the state over the collapse of the Creusot Loire engineering group, the Schneider group looks certain to escape relatively lightly from its engagement in HES—which has cost around FFr 400m in government subsidies to keep going over the past two years.

When Intelaumatisme was set up as part of the Socialist Government's initial machine tools restructuring plan, the aim was that the group should encompass HES as well as the Hurel (specialised in milling and vertical machining equipment) and Graftensteden (horizontal machining and flexible manufacturing systems) companies.

After taking a close look at HES's own severe financial difficulties, Intelaumatisme early last year jibbed at taking on the extra burden. In 1984, Intelaumatisme itself held discussions over a possible strategic alliance with Toyota. But it finally agreed last autumn on another Japanese link-up, in a further example of more open attitudes these days in Paris to letting in Japanese competition, this was a collaboration accord with Hamai, the third largest Japanese maker of vertical machining equipment.

If the Toyota/HES deal goes ahead, it could eventually bring Intelaumatisme into direct competition with another Franco-Japanese competitor in machining centres.

Intelaumatisme, however, is playing down the threat, pointing out that Toyota would first have to cope with HES's dire cash difficulties and would then be faced with building up an international presence, practically from scratch.

Intelaumatisme, which is now owned 51 per cent by the Suez financial group, 30 per cent by the Industrial Development Institute and 19 per cent by CIT Alcatel, meanwhile is enthusiastic about its link-up with Hamai.

"It's almost a marriage," says Mr James Deas, the Scots manager brought in from the French subsidiary of Otis Elevators) as Intelaumatisme's director of marketing and international development.

## Danish bank may face civil action

By Hilary Barnes in Copenhagen

THE ENTIRE shareholders' capital in Kronenbanken has probably been lost through bad debts, Mr Ib Stetter, Industry Minister, said yesterday, following a meeting of the Danish Parliament's Business Affairs Committee.

The bank was rescued in December by guarantees put up by the central bank and the big three Copenhagen banks. Kronenbanken's capital is Dkr 361m (\$52m) and its total equity, including reserves and subordinated loan capital, is about Dkr 1.2bn.

A group of shareholders is trying to organise a shareholders' committee to bring a civil action against the bank's board. They say the bank continued to recommend customers to borrow money from the bank in order to buy bank shares throughout 1984.

The Kronenbanken share price was Dkr 310 when the quotation was suspended in December. Shares are now being privately traded for Dkr 30.

## Rescue thought imminent for China Cement

By Our Financial Staff

CHINA CEMENT, the debt-ridden Hong Kong venture owned by Kaiser Cement of the U.S., Green Island Cement and Cheung Kong of Hong Kong and the Kin Kwong mainland Chinese group, may be on the verge of a rescue plan.

According to reports in the pro-Peking press in the Colony, companies linked to Kin Kwong Investment and the special economic development zones in China are willing to accept responsibility for the cement manufacturer's estimated HK\$1bn (U.S.\$128m) debts.

Mr Zhuang Shi-Ping, chairman of both the Manyang Commercial Bank and of Kin Kwong, said that some HK\$100m would be paid, in addition to the debts, for China Cement by the mainland interests.

## Profits surge for Finnish conglomerate

By Lance Keyworth in Helsinki

AMER, the Finnish tobacco, publishing and paper group, reports increased profits for the year ended August, 1984 and says prospects for the current year are good.

Sales last year rose from FM 768m to FM 875m, and net profits moved ahead to FM 81m from the FM 60m of the previous 12 months.

For the current year, sales, boosted by an acquisition, are forecast by Amer to rise to around FM 2.35bn.

Amer acquired an 88 per cent interest in the family-owned Korpiavaara group, importers and distributors of cars, trucks, motor accessories, for FM 237m last September. Korpiavaara's turnover in 1983 was FM 1.19bn and pre-tax profit FM 43m.

In May, 1984, Amer launched an issue of shares which were placed with foreign investors and quoted in London.

## CGE, Elf Aquitaine solar equipment unit in venture

BY DAVID HOUSEGO IN PARIS

FRANCE'S two main manufacturers of solar equipment are pooling their resources in an effort to cut costs and improve international market share.

Leroy-Somer, the manufacturer of electric motors, is taking a 10 per cent stake in Photowatt, the jointly owned subsidiary of CGE, the state-owned electronics group, and Elf-Aquitaine, the state oil group.

Photowatt is the leading French manufacturer of solar equipment and systems. Its annual turnover is about FFr 42m (\$4.3m).

Under the agreement, Leroy-

Somer will shift production of solar cells and panels to Photowatt's factory in western France.

Leroy-Somer's subsidiary, France-Photon, will continue to manufacture solar systems but in future will market them in co-operation with Photowatt and under a double brand name of Photowatt and Solar Force.

The link has come at the prodding of the French Government which is anxious to strengthen French international competitiveness in what it regards as an area of considerable potential but which has so far remained unprofitable.

France-Photon has made

losses in recent years. Leroy-Somer recently sold its U.S. solar interests because of the strength of the U.S. competition.

The price Leroy-Somer is paying for its 10 per cent stake in Photowatt has not been disclosed but is believed to be part of a complicated package involving substantial Government assistance.

Under the new share structure, CGE will hold 45 per cent of Photowatt through its subsidiary Saft. Elf will hold 41 per cent and Radiotechnique Compelec a remaining 4 per cent.

## ON THURSDAY, NOVEMBER 29, 1984 FINANCIAL HISTORY WAS MADE.

The day marked a new phase in the integration and the expansion of the world's capital markets. It also introduced the United States to a financial instrument effective for portfolio diversification—a growing need for money managers in the internationalized capital markets.

What happened on November 29th was the first public offering in the U.S. of securities denominated in ECU, the European Currency Unit. A major currency of the European Economic Community (EEC), the ECU is widely used and accepted in Europe and in the Eurobond market.

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Evidence of this commitment appears in our organization. Trading, Sales and Marketing, Corporate Finance, Syndicate, Administration and other areas of Bear Stearns have consolidated for the execution and the after-market support of transactions in ECU-denominated securities. Further evidence of our commitment is our intent to maintain liquid primary and secondary markets for the issue and to conduct trading in both New York and London.

As acceptance of the ECU grows, so do its markets. The potential for the ECU is vast. And so are the advantages for both issuers and investors. Through our expertise in ECU financing we can help issuers and investors finance or manage assets in the world's capital markets.

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Interested issuers and investors in ECU-denominated securities are invited to contact Bear, Stearns & Co. in New York: Ed Rappa, Market Development, 212-952-8063; Ronald Shiftan, Corporate Finance, 212-952-5964; Tom Tarantino, Trading, 212-952-7128; or Clive Bergel, Sales and Marketing, 212-952-8966.

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The Listing Particulars relating to the Debentures and the Issuer have been published and copies thereof may be obtained during usual business hours from the parties listed below up to and including 24th January, 1985, except in the case of the Company Announcements Office where copies will be available up to and including 12th January, 1985.

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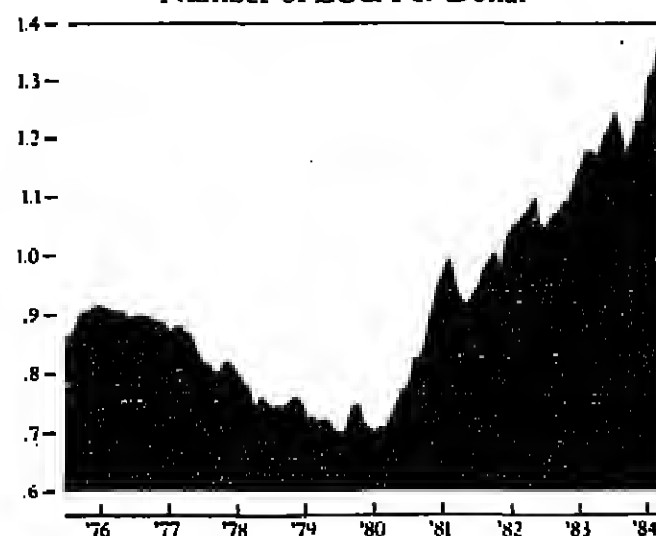
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Number of ECU Per Dollar



This graph depicts the relationship of the value of the US Dollar to the ECU from 1976 to the present. During this period, the high and low exchange rates of the ECU in terms of U.S. Dollars were \$1.45 and \$0.71, respectively.



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**U.S.\$100,000,000**

# Australian Industry Development Corporation

(A statutory corporation, wholly owned and guaranteed by the Commonwealth of Australia)

**11 1/4% NOTES DUE FEBRUARY 28, 1990  
AND 100,000 WARRANTS TO PURCHASE  
11 1/4% NOTES DUE FEBRUARY 28, 1990**

The following have agreed to subscribe or procure subscribers for the 11 1/4% Notes and the Warrants:

MORGAN STANLEY INTERNATIONAL

SALOMON BROTHERS INTERNATIONAL LIMITED

BANK OF TOKYO INTERNATIONAL LIMITED

BANQUE BRUXELLES LAMBERT S.A.

BANQUE NATIONALE DE PARIS

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UNION BANK OF SWITZERLAND (SECURITIES) LIMITED

S. G. WARBURG & CO. LTD.

Application has been made to the Council of The Stock Exchange for the 11 1/4% Notes, in the denomination of U.S.\$5,000, with an issue price of 100 per cent., the Warrants and the 11 1/4% Notes with an issue price of 100 per cent., to be admitted to the Official List. Interest on the 11 1/4% Notes and the 11 1/4% Notes is payable annually in arrears on February 28, commencing on February 28, 1986.

Particulars of the Notes and the Warrants and of Australian Industry Development Corporation are available in the statistical services of Exel Statistical Services Limited. Copies of the listing particulars relating to the Notes and the Warrants have been published in the form of an Exel Card and may be obtained during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including January 24, 1985 from:

Australian Industry Development Corporation  
212 Northbourne Avenue,  
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Australia.

Company Announcements Office  
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Throgmorton Street,  
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January 10, 1985

## INTL. COMPANIES & FINANCE

# Dunlop Olympic waves the flag for Australia's high technology

BY MICHAEL THOMPSON-NOEL IN SYDNEY

"WE CAN no longer assume that minerals, wheat and wool alone will carry the 'Lucky Country' towards higher living standards," says Mr Barry Jones, Australia's Science and Technology Minister. "We have to diversify and extend our skills base."

Mr Jones goes further, claiming that Australia is an industrial museum, and arguing that there is very real doubt whether our current technological capacity is great enough for transition to a high-growth economy.

That is the bad news. The good news is that in a few weeks and centuries of Australian industry, there are signs that work is being done that will help redress Australia's low standing as an exporter of high-technology goods.

A case in point is Dunlop Olympic, one of the country's biggest manufacturing and marketing concerns, one of the expressed aims of which is to develop products and technology that are internationally competitive.

Formerly, one of its biggest shareholders was Dunlop Holdings of the UK. However, Dunlop UK sold its last shares in the Australian concern last year, leaving Dunlop Olympic as an autonomous, Australian-owned and managed concern which is branching into world markets under its own steam, with marked success.

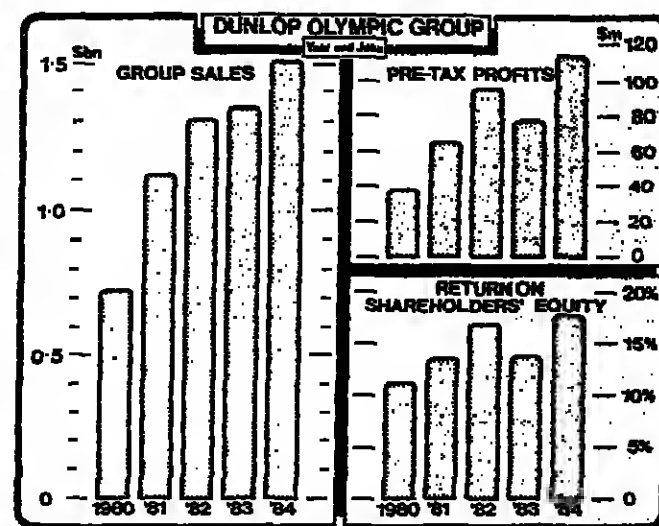
Sales in 1983-84 topped A\$1.5bn (U.S.\$1.2bn) for the first time—mostly in Australia, though it has sales in more than 30 countries—while its post-tax profit in the year to last June 30 was A\$66.2m (U.S.\$54.6m), up 39 per cent. The return on shareholders' funds was 17.7 per cent (13.8 per cent previously), for earnings of 25.4 cents a share (up 46 per cent). There was an increased final dividend, and a one-for-10 bonus issue.

Dunlop Olympic has five main business groups:

● Consumer products, including clothing, textiles, footwear, bedding and sporting goods. Sales here were A\$494m in 1983-84 and profit before tax and interest A\$44m.

● Electrical goods, including cables, batteries and accessories. Sales last year were A\$297m, and profit (before tax and interest) A\$36m.

● Industrial products. Sales were A\$159m, and profit A\$13m.



● Retailing, including 252 Beaufort stores (tyres, batteries and other automotive products). Sales were A\$145m, and profit A\$10m.

● Rubber products. It makes and markets tyres and Ansell products, Ansell being described as the world leader in household gloves, medical examination gloves and condoms, as well as a major producer of surgical and industrial gloves, and balloons. Sales were A\$50m, and profit A\$28m.

About half Ansell's U.S. condom sales go to the U.S. Government, which distributes them through the United Nations to Third World countries. As a Melbourne broker points out, the continued drive to limit population growth in Latin American and African countries and among underprivileged nations in general should mean further expansion in this field.

In the 1970s, Dunlop Olympic was predominantly a tyre, clothing and textiles concern, with more than 70 per cent of its earnings derived from businesses subject to severe import competition.

However, under Mr John Gough, its managing director, the group has been restructured and reoriented. It has expanded in non-import sensitive areas, and in entirely new businesses, such as cables, so that the profit share of import-competing categories has been slimmed to 33 per cent.

Part of Dunlop Olympic's strategy has been to go for market leadership, or at least

significant market share, whenever possible—often by buying out its rivals. For example, the restructuring of its tyre division was completed by the purchase in 1980 of Olympic Consolidated Industries for more than A\$90m.

This took its share of the Australian tyre market to 33 per cent, and was followed by a further A\$40m of rationalisation and up-dating, so that tyre output per employee has been boosted from 915 per year to 1,085.

Similarly, the textile division had withdrawn from all basic fabric making by 1981.

At the same time, Dunlop Olympic has made steady progress abroad. Its most recent purchase was that of the Misouri-based Hamilton Shoe Company for an undisclosed sum. Hamilton offered immediately sales of only US\$22m, but is seen as Dunlop's vehicle for entry into the U.S. shoe market.

Dunlop Olympic already has manufacturing facilities in the U.S. (medical examination and industrial rubber gloves, condoms and balloons), Malaysia (latex gloves and moulded rubber products), New Zealand (textiles and clothing) and the Philippines (footwear, clothing and tennis balls). Another factory is under construction in Thailand.

Recently, it has made two significant moves in New Zealand. It bought Canzave Cables, New Zealand's second largest manufacturer of electrical power cables (sales last year were A\$18m), the product range

of which complements that of the group's Olex Cables. And it has bought the 52 per cent of Dunlop New Zealand it did not own, from Dunlop Holdings for A\$21.5m—\$8 times 1983 earnings.

Longer term, says Mr Gough, the acquisition of Dunlop NZ may well enable Dunlop Olympic to rationalise production. All told, recent acquisitions and developments will more than double Dunlop Olympic's sales outside Australia, which in 1983-84 were A\$137m, some 9 per cent of total revenue. One of the keys to recent progress at Dunlop Olympic is its commitment to technological research and development, which is yielding good results. In the last two years, it has invested more than A\$75m in new equipment and facilities.

A bonafide success is the so-called all-New Australian-designed Pulsar battery, described by Dunlop Olympic as "the most advanced car battery in the world." It is assessed as 25 to 50 per cent lighter than conventional batteries, and as maintenance-free. Besides cars, it can be used in helicopters, boats, wheelchairs and as a standby power source for computer installations.

In addition, Olex has signed an agreement with Sumitomo Electric Industries of Japan to make glass optical fibres in Australia, expanding an existing agreement between the two related to the design and production of optical fibre cables. Total investment in the venture exceeds A\$15m.

All in all, Dunlop Olympic is making good progress on numerous fronts—both in high-technology product fields and in more mundane areas, like shoes, textiles, tyres and cables.

As a result, it suffered only a 15 per cent drop in earnings in 1983-84—despite drought, recession and dumping—and saw profits rebound sharply in 1984-1985.

It is strong, financially—net borrowings total only 20.5 per cent of shareholders' funds, against 37.4 per cent in 1981-82—and on some estimates, earnings should rise by 15 to 20 per cent in 1984-85.

Nor is it in the least worried by retaining the name Dunlop, despite the troubles of the UK group. "So far as the public is concerned," says Mr Gough, "Dunlop remains a very strong brand name."

## NEW ISSUE

These rates and warrants having been sold, this announcement appears as a matter of record only.

# Merrill Lynch & Co., Inc.

(Incorporated with limited liability in Delaware)

**U.S.\$100,000,000**

**12 1/2% Notes Due 1994**

**and**

**Warrants to Purchase**

**U.S.\$100,000,000**

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Merrill Lynch Capital Markets

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December, 1984

# Household International, Inc. and Household Finance Corporation

**U.S.\$400,000,000**

## Revolving Euronote Facility

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December 12, 1984

Weekly net asset value



**Tokyo Pacific Holdings (Seaboard) N.V.**

on 7th January 1985, U.S. \$93.50

Listed on the Amsterdam Stock Exchange

Information: Pierson, Hidding & Pierson N.V.,  
Herengracht 214, 1016 BS Amsterdam.

## VONTOBEL EUROBONDINDICES

WEIGHTED AVERAGE YIELDS

PER 8 JANUARY 1985

	Today	100X Last week	Year's High	Year's Low
US\$ Eurobonds	11.24	11.31	11.38	11.24
DM (Foreign Bond Issues)	7.05	7.03	7.06	7.05
HFL (Bosser Notes)	6.93	6.94	7.03	6.93
Cable Eurobonds	12.44	12.46	12.46	12.44

Bank J. Vontobel & Co Ltd, Zurich - Tel: 010 411 488 7111







## UK COMPANY NEWS

## Asda held back by miners' strike and milk shortage

THE MINERS' strike and a shortage of milk supplies have restricted profit growth at Associated Dairies Group to just over 10 per cent for the 26 weeks to November 10 1984, and together cost the group £2m in pre-tax profit terms.

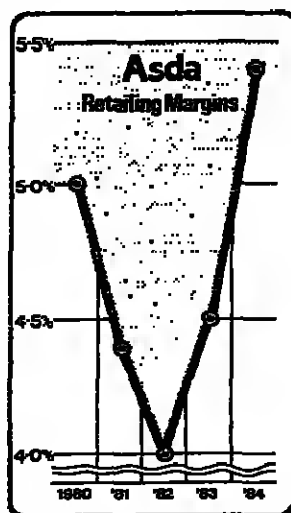
The interim figures showed an increase in taxable profit from £48.74m to £53.7m, on turnover up from £876.39m to £983.18m. Following the announcement of the result, which represents a decline from recent rates of growth, the group's shares closed down 8p to 148p.

Mr Noel Stockdale, the chairman of this dairy and foods retailer and superstore operator, says that trading for the period was adversely affected by these two factors, both of which were mentioned at the annual meeting in October as potential problem areas, and which were outside the control of the group.

The continuing miners' strike had the greatest effect on the Leeds-based group, which is stronger in the north than most other grocery retailers. It has only four stores in the London area. The strike accounted for the bulk of the £2m profit shortfall.

The shortage of milk for manufacturing purposes was due to the exceptionally dry summer and to EEC regulations. The group used 33 per cent less milk in volume terms in the period.

At the annual meeting Mr Stockdale said that the sales



fall in mining areas had been cushioned by increases elsewhere, but warned that a prolonged strike would inevitably hit sales and profits. This is still the case.

However, taking these factors into account, the directors still regard the results for the period as satisfactory. They are to increase the interim dividend from an effective 1.04p net per share to 1.15p. In the last full year, dividends amounted to an equivalent 2.5p on record pre-tax profits of £104.61m. Turnover then was £1,760m.

As regards trading in the current period, Mr Stockdale says that sales were 18 per cent up at the end of December. This had been achieved, he said, despite a very slow start to the build-up for Christmas trade, due to the miners' strike and the fact that customers' money had been tied up in the E1 situation.

Christmas spending took off in December, and the chairman says "we just could not cope with the volume." In the Christmas week alone sales were 28 per cent up on the comparable period.

The group's Asda stores accounted for most of the £7m increase in operating profit, adding £43.01m against £36.47m. The operating performance of Associated Fresh Foods showed a profit decline from £6.71m to £6.01m, but Allied Carpet Stores advanced from £1.69m to £2.79m. Other operations contributed a £576,000 profit against a £87,000 loss.

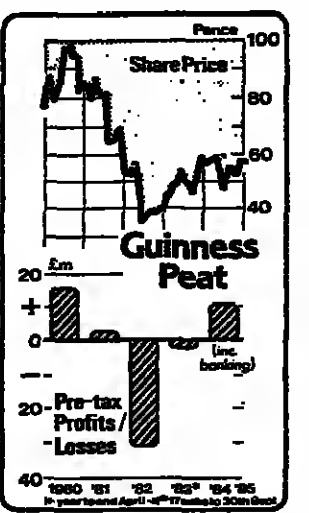
Wades Departmental Stores, which is the subject of advanced negotiations for a management buy-out, incurred a loss of £390,000 (profit £893,000), and Wallbridge Carpet Mills, sold to its management, increased its operating deficit from £280,000 to £508,000 in the period. Other income fell from £5.62m to £3.64m.

Earnings tax at £23.0m (£24.13m) earnings per share are quoted at 3.75p (3.12p).

See Lex

## Guinness Peat sees continued recovery

GUINNESS PEAT GROUP is paying a final dividend for the first time since 1981 following a return to the black over the 12 months to end-September 1984. And a



further increase in earnings and dividends is foreseen for the current year.

Taxable profits of the financial services concern, including banking, for the year amounted to £10.5m. This compares with a loss of £2.07m for the previous 12-month period—excluding banking profits of £2.1m. The final dividend is 0.8p.

The company also showed a retained profit of £3m (loss £3.13m). Minors took £221,000 (£262,000), tax amounted to £2.66m (£1.51m), and the cost of dividends is £2.62m (£45,000).

## ● comment

The decision to rename the group Guinness Peat has a certain symbolic value in marking a clear break with the gruesome past but a doubling of second-half earnings, and a ratio of net debt to shareholders' funds of around 40 per cent (against 500 per cent in 1982) actually speak for themselves. With profits from property commissions making an appearance this year, the group will have a fifth area of profitability activity, and pre-tax profits of £15.5m are within reach. Net borrowings should not be higher than £40m and the group will certainly not be paying more than last year's 25 per cent tax charge, thanks to £6.3m in unrelieved ACT and all those U.S. tax losses. A prospective p/e of just under 40 seems already to have taken account of the board's achievement, but bid speculation might add a bit to the share, considering the very conservative balance-sheet valuations.

## Andrew Fisher on the P &amp; O/Sterling Guarantee merger Set fair for exciting future

IT DID NOT exactly burst on the City like a bombshell yesterday, but then it was never really meant to be a secret in the first place.

The likelihood of a merger between P & O and Sterling Guarantee Trust (SGT), both headed by the newly-knighted Sir Jeffrey Sterling, has been aired in the City for some months.

Ever since Sir Jeffrey became head of P & O late in 1983 and subsequently succeeded in fending off the bid approaches of Trafalgar House owner of Conard, the idea of a get-together between the two companies has looked increasingly possible.

Last Friday, the P & O share price went ahead, when the market thought that the merger was to be finally made public. In the event, that day's news was the sale of the loss-making Anglo-French ferry operation of P & O to European Ferries for £12.5m.

But Sir Jeffrey was encouraged by the share price rise. A merger of the two companies, which he heads has been something he has long hoped to achieve. As he said yesterday, "wedged together, they have an exciting future."

P & O previously regarded as a rather slow-moving shipping company with major land-based (and profitable) interests like Boris construction, it is now surpassing all previous City expectations.

Sir Jeffrey has tightened up P & O's financial style as to the proposed merger will owe as much to Sir Jeffrey's own personal and business style as to the inherent logic of the deal.

After all, a link-up between Trafalgar and P & O was not regarded as an outrageous possibility by the City or for Sterling Guarantee, which was formerly the Town and City property group that fell victim to the collapse in that sector of

	1983	1982
Turnover	£1.31bn	£1.22bn
Profits	£56.7m	£33.5m
Employees	23,400	25,900

MAIN ACTIVITIES  
Bulk cargo shipping  
Construction  
Cruises  
Banking  
Property  
Transport

\* Analysts expect 1984 profits at around £70m. † Pre-tax.



Sir Jeffrey Sterling

## STERLING GUARANTEE TRUST

	1984	1983
Turnover	£177m	£177.2m
Profits	£14.4m	£8.7m
Employees	11,200	10,700

MAIN ACTIVITIES  
Property  
Industrial distribution  
Warehousing  
Retail services

\* Year to March 24. Analysts estimate 1984-85 profits at around £24m. † Pre-tax.

P & O of Sir Jeffrey—previously on the board as a non-executive—and the financial strengthening of the group by the time the merger was to be finally made public.

It was in September of last year that the two sides called a halt to the skirmishing. Trafalgar, headed by Sir Nigel Brookes, decided to withdraw from the fight and take a £13.5m profit on the sale of his company's 7 per cent stake in P & O.

Both before and after this peace settlement, P & O has been selling off unprofitable assets, smartening up its management structure, and doing its best to educate the City about the way in which a merger could benefit both sides.

"Basically," said Sir Jeffrey, "they are both service companies. The most important factor is that the managers are all service-orientated."

But things have not always been rosy, either for P & O or for Sterling Guarantee, which was formerly the Town and City property group that fell victim to the collapse in that sector of

the mid-1970s.

Sir Jeffrey spent much time on reviving Town and City.

Eventually, he pulled it round into profits and found much favour with those who had invested in the company—including some major institutions—in the process. That legacy has clearly been of help in promoting the notion of a Sterling-headed P & O, augmented with the property, catering, and exhibition service activities of SGT.

Certainly, the merger idea has been greeted with a certain amount of scepticism, though much of this has been dismissed by the smooth way in which Sir Jeffrey has put his case.

Even without this knack, there is a proven track record which can be pointed to. Under his leadership, P & O has made long overdue write-downs on its gas shipping fleet, sold valuable properties in London, and finally retreated last week from the Transocean cross-Channel ferry market.

Profits of P & O have risen recently as have those of SGT. Without a merger, say some City

analysts, one or other of these companies could lose their way if management efforts are diluted.

P & O has had a rough time in the past decade or so. Back in the late 1970s, it had a mountain of debt as a result of over-ambitious expansion. Up to mid-1981, it had sold some £180m of assets to try and right the balance sheet.

The 1970s were a troubled decade for the group. In 1972, it planned to merge with Bovis, but internal and outside opposition squelched that project. In the end, P & O bought in a small part of its merger valuation.

Today the P & O image is a lot brighter. Last year saw delivery from Finland of the sleek new cruise ship, Royal Princess, destined for the lucrative U.S. market. A new £40m ferry for the North Sea service is also likely to be ordered soon, although there is a 12-month gap for this company (when merged) to act in a totally opportunistic fashion if it wants, but with a totally professional management behind it.

● comment  
With a 13p share price, underlining its speculative attractions, Johnson & Firth Brown continues to endure heavy weather, although there is a 12-month gap for this company (when merged) to act in a totally opportunistic fashion if it wants, but with a totally professional management behind it.

Johnson and Firth Brown have been cut sharply by Mr J. M. Clay, the chairman, who has made long overdue write-downs on its gas shipping fleet, sold valuable properties in London, and finally retreated last week from the Transocean cross-Channel ferry market.

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analysts, one or other of these companies could lose their way if management efforts are diluted.

## Hollas set for further improvement

Despite an £87,000 rise in interest charges to £177,000, the Hollas Group recorded an improvement of £31,000 in pre-tax profits for the half year to September 30, 1984.

The deterioration of sterling to unprecedented levels in these currencies in which the group trades seriously affected the garment distribution and yarn divisions.

The directors say that considering the depressed climate in which the two sectors operate the results are "even more creditable."

While these factors remain they find it "very difficult" to predict prospects but it is expected that the Hollas companies will achieve further progress during the remainder of the year.

Group turnover for the first half advanced from £11.76m to £12.36m and pre-tax profits nudged ahead from £423,000 to £454,000.

The interim dividend is held at 1p net per 5p share, a final of 1p was paid for the 1983-84 year from pre-tax profits of £1.03m (£1.31m).

Tax took £182,000 (£127,000) in leave earnings per share at 1p (1.2p).

Hollas imports and distributes garments and fabrics.

## Robert Horne expects an increase in market share

ANOTHER year of satisfactory progress is seen by the directors of Robert Horne Group following a sharp increase in pre-tax profits from £4.08m to £6.55m for the year to the end of September 1984.

The current year has started well with all subsidiaries showing improvement on a year ago. The directors expect to achieve further improvement in market share, which they believe amounts to about 15 per cent of the market available in printing, writing paper and board.

As forecast at the interim stage, the net final dividend amounts to 1.5p, making 2.5p (2.46p) was forecasted in the prospectus. Earnings per ordinary and A ordinary shares were shown as 12.2p (8.8p)—the group came to the USM by way of an offer for sale in March 1984.

Turnover increased from £86.04m to £104.87m. The directors say they are negotiating the purchase from the Northampton Development Corporation of additional land adjacent to the present headquarters, which will help further expansion.

Operating profits amounted to £7.03m (£4.47m) after sales and marketing costs of £4.88m (£4.41m), distribution costs of

£5.32m (£4.85m) and administration expenses of £6.08m (£5.59m). Other operating income of £280,000 (£206,000) was included. Interest costs took £480,000.

● comment  
The market has been steadily upgrading its forecasts for Robert Horne since the company joined the USM last March, but it was still surprised by the 60 per cent jump in pre-tax profits. In a narrow market—only 121 per cent of the equity was floated—the ordinary shares leapt 24p to 158p, and a non-voting A stock 21p to 143p.

By firm cost control the company is squeezing maximum benefit from a 22 per cent rise in turnover, divided roughly equally between price and volume increases. This high operational gearing should continue to work in the company's favour in the current year, but it seems likely that demand may level off later in the year. Although the company is winning market share from its rivals, paper distribution remains a mature cyclical business closely tied to the fortunes of the whole economy. For the current year, Horne should make £8.5m pre-tax profit, putting the ordinary shares on a prospective rating of about 81 on a 40 per cent tax charge. They seem fairly valued.

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## Bespak warns on downturn in demand

Bespak, aerosol valve manufacturer, reports a near-32 per cent advance in first half profits but warns that the full year's outcome is likely to show a virtually static result.

The company says that the combination of a cutback by its largest customer, a cost increase in the UK, and a loss of business in the US, mean that second half profits cannot be expected to match the taxable £1.38m, against £1.05m, attained in the opening six months to November 2 1984.

First half profits were achieved on turnover ahead by £1.68m at £6.2m, and were struck after net interest expenses of £45,000 (£51,000) and the inclusion of a £23,000 associates' contribution.

There is a 0.25p lift to 1.75p in the interim dividend with earnings per 10p ordinary share shown 3.4p higher at 3.7p, after tax of £344,000 (£375,000).

In 1983-84, Bespak achieved taxable profits of £2.11m (£1.8m) and paid total dividends amounting to 3.75p (2p).

Looking ahead, the company says that an agreement has been concluded with ICI to develop an air powered aerosol system with exclusive marketing rights for an initial period. Also, the directors say that the American project is progressing steadily, with the foundations having been laid for the first stage of the building and plant and equipment having been procured.

## ● comment

It has been feast and famine for Bespak for some time. Its major customer Glaxo, a year ago, first half figures were boosted by unexpected demand. This year, Bespak delivers the gloomy news that Glaxo, which accounts for more than half of sales, has cut back drastically in its demand for valves for its Vantolin drug.

Pre-tax profits for the year, which analysts were suggesting might reach £2.6m will now be closer to £2.1m. The share price, which closed down 8p at 280p giving a prospective p/e of 19, Bespak was all too aware of its dependence on one customer.

The bad news will speed up the process of developing new lines for more customers and the company expects to be back on course in 1985-86. Glaxo will account for half of Bespak's business by then. New lines are coming on fast, according to the company. Fire extinguishers, where it now makes the whole pack rather than just valves and valves, will probably be the fastest growing business in the next year and a number of projects are under development similar to the aerosol system which Bespak is working on with ICI. The market may prove to be a little wary for a year or so until Bespak regains its laurels.

Legal & General Group, Britain's second largest life company, has become a major force in the unit-linked life sector.

New linked single premium business in the UK rose by one-third from £156.5m to £202m, making L & G one of the largest, if not the largest, single premium linked company in the UK.

Other major linked life companies have yet to report their new business results. New linked annual premiums were at a more modest level, rising by a fifth from £10.4m to £12.7m.

This single premium growth accounted for most of the total UK single premium rise of just over 40 per cent last year from £154.5m to £208.8m.

However, new individual annual premiums in the UK fell 13.5 per cent from £78.1m to £67.5m, the decline coming from mortgage-related business which fell £11m to £30m. However, 1983's figures contained £15m of mortgage arising from conversions with the introduction of MIRAS. Thus new mortgage-related business rose 7 per cent despite the loss of Life Assurance Premiums Relief.

Pensions business was buoyant last year. New annual premiums on self-employed pensions rose more than half from £5.9m to £9.2m. New annual premiums in the life and pensions business, after a few years of decline, rose by a third from £38.6m to £51.7m.

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

Dividends ANNOUNCED

	Current payment	Date of payment	Corre. div.	Total last year	Total this year
Asda	1.15	Mar 1	1.04	2.19	2.19
Bespak	1.75	Feb 25	1.5	3.25	3.75
Guinness Peat	0.8	Feb 25	Nil	1.4	Nil
Hollas Group	1	—	1	2	2
Robert Horne	1.5	Mar 4	1.25	2.75	2.75
M & G Bank Trust	28.9	Mar 4	3.28	32.18	32.18
Neorgate Trust	4	—	—	—	—

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.



# Accountancy Appointments

## Challenging Financial Opportunities within a Major UK Company

London & Regions

Our client, part of a quoted UK Company, is a major consumer products Company with its Head Office in London and a number of Regional Companies located throughout the country.

As a result of a series of career development moves within the finance function a number of opportunities have arisen both in London and the Regions for ambitious, qualified Accountants at a number of levels within the organisation:-

### Financial Planning & Control

£16,000 - £22,000 + car

Reporting either to Regional Company Finance Directors, or senior central financial management, you will be able to demonstrate an impressive record of achievement in line financial planning, budgetary control and balance sheet management, preferably in a manufacturing or distribution environment. Aged 27-35 you will have the ability to contribute to the Company's overall financial management, influencing the business and gaining acceptance for your ideas at a senior level. The positions are development opportunities for Finance Director appointments in two years.

### Financial Control & Asset Management

£11,500 - £15,500

A qualified Accountant in your early to late 20's, with a good degree and experience gained either in industry or in the profession, you will be looking to broaden your career in a fast-moving business environment. Opportunities at this level may be in the area of financial planning, financial accounting or asset management.

Success in any of these stimulating roles will lead to excellent prospects for future career development within the Group.

In addition to the highly competitive salary levels the benefits package is as expected of a major progressive employer.

Please write with full details, including current salary. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. M. Horden ref.B.1859.

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- ☐ Outstanding leadership ability, drive and commitment.
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### OR

- ☐ Rapid progression to manager level as financial sector specialist in a major professional firm.
- ☐ Tough but agreeable personality.

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You can register an interest by writing in confidence to N.P. Halsey, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD, explaining how you meet our client's specification.

**PEAT MARWICK**

## Financial Director

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Buckinghamshire

Our client, a major household name and a wholly owned marketing and manufacturing subsidiary of an internationally famous Group has, due to promotion and further growth, identified the need to appoint a high calibre FINANCIAL DIRECTOR.

Working closely with the Managing Director and other Board members you will provide financial input to strategic planning, commercial development and effective decision making. High leadership and communication skills are vital.

Qualified Accountant preferably chartered, aged 33-40, with impressive career profile in financial and management accounting, line management and corporate planning, probably in light industry or distribution.

Substantial benefits including profit bonus and relocation expenses. Candidates should write, in confidence to:- Alan A. Smith, Director, ARA International, Edman House, 12/18 Maddox Street, London W1R 0ET.

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## Assistant Financial Controller

Central London

£20-22,000

Leading International Advertising Agency operating throughout Europe seeks an Assistant Financial Controller for its European Head Office based in London. This is a new position, reflecting the company's commitment to growth internally and through acquisition. The selected candidate will be part of the new HQ team, and will report directly to the European Financial Director. The candidate must be people-oriented, willing to travel, and have a hands-on attitude to achieving projects. Key tasks include:

- Control of financial results of European affiliates
- Implementation of profit improvement measures

• Development of financial procedures and EOP systems. Candidates will probably be aged between 27-30 and have European experience either in auditing or in a multinational environment. Good knowledge of U.S. accounting and reporting methods and of EOP systems is essential. Nationality open.

Good career prospects exist either through further development of position and responsibility, or into financial management of a local agency. Salary and benefits negotiable depending on age and experience.

Please write in strict confidence with full personal and career details to: Giv. 48855, Financial Times, 10 Cannon St., London EC4A 3DF.

## Financial Controller

Partner status

This substantial firm of solicitors, which has greatly expanded the range and volume of its advisory services in recent years, requires a financial controller to take charge of its financial affairs and act as partnership secretary.

With similar status to a partner, the financial controller will be a key member of the management team and will work closely with the managing partner in the development and implementation of financial strategies. The role will also entail co-ordinating partnership decisions and enhancing computer systems, with particular emphasis on financial and cash planning and control.

The requirement is for a qualified accountant, aged around 35, with the authority and technical ability to develop a close relationship with senior management in a professional environment.

Remuneration: around £25,000 plus other benefits.  
Location: Central London.

Please write in confidence to CT Garcia (Ref 221F).

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As a member of a small well respected central financial control team you will, inter alia, appraise and report on the group's diverse and worldwide activities, prepare group results and monitor accounting policies. Numerous ad hoc financial exercises will provide wide ranging accounting and reporting experience.

The size and diversity of the group offer extensive opportunities for career progression within the central function or in the operating divisions. Salary is negotiable and the comprehensive benefits package includes a non-contributory pension scheme and subsidised mortgage.

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on 01-405 3499  
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## Financial Controller

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upgrade existing computer systems and assist with corporate development, including acquisition studies. Hence an opportunity to make a significant contribution to both profitability and future growth. Relocation assistance will be given and the prospects and potential earnings are considerable - a possible divisional financial directorship and projected group flotation make this an opportunity not to be missed.

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The Sentinel Insurance Company Ltd is an established Life Office, and has in recent years expanded its activities and the volume of business underwritten. The increase in activities has created a position for a financial accounting controller, reporting to the Managing Director.

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Applications are invited from qualified accountants who are involved in the life insurance industry. Other essential requirements include the ability to direct and motivate staff, an awareness of computers and data processing techniques, an enquiring and commercial approach to problems, good communication skills, and the ambition to warrant promotion.

The Company are offering a salary commensurate with £19,000 p.a. plus a car. The successful candidate will benefit from membership of a non-contributory pension scheme. Free life cover and low cost mortgages after a three months probationary period. The position is challenging and demanding, and gives scope for career development.

If the position is of interest to you, would you in the first instance, please reply to our Auditors, Messrs. Bright Grahame Murray & Co of 124/130 Seymour Place, London W1H 6AA. Tel: 01-402 5201, enclosing a C.V. All applications will be treated in strict confidence.

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## Accountancy & Personnel

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First and foremost will be the ability to provide sound financial assessment of potential new ventures, including use of computer modelling exercises and feasibility studies. Candidates must combine the analytical techniques required to complete this function positively, with the practical ability to handle financial control of the group. Emphasis will be placed on management accounting, budgets and forecasts.

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# Accountancy Appointments

## Accountants for Consultancy - a question of balance

There has been a dramatic increase in the demand for management consultancy and management advisory services from both the public and the private sectors.

We — and our competitors — all need more high calibre staff for this work, and you will have noticed in the financial and management press an ever increasing number of advertisements for professional staff.

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We all offer high starting salaries, cars, and rapid career advancement. What in fact is the difference between the firms? Why should you choose Peat Marwick?

We believe this question of balance is of crucial importance. If you feel it would be important to you, come and talk to us. To enable us to prepare for the discussion please send a brief cv and a day time telephone number to: M.J.H. Coney, Peat, Marwick, Mitchell & Co., Management Consultants, 1 Puddle Dock, London, EC4V 3PD, quoting reference A/AJ5

We believe the difference is a question of balance.

- We are carefully organised, but not too tightly structured...
- We have some important industry specialisations, but many people work in a wide range of industries...
- Most of our work is in the UK, but some assignments take us overseas...
- We have certain operating standards, but we tailor solutions to client problems; we do not push the client into standard off-the-shelf solutions...
- We believe in, and practice, training and development, but we ask you to suggest the direction in which you would like your training and career development to proceed...
- We are keen to win new business, but our prime objective is to provide a first class service to our existing clients...

Perhaps the balance can best be illustrated by comments from accountants who have joined us recently:

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"Your interviews were more thorough, but more friendly..."

"The people I'm working with are not theoreticians, they're all achievers, and some of the most interesting people I've ever met..."

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Candidates should have ideally experience of a fast moving consumer goods manufacturing environment operating to tight reporting deadlines.

For more information please contact George Ormrod B.A. (Oxon) or Tim Foster B. Comm on 01-836 9501 or write with C.V. to Douglas Lambias Associates at our London office quoting Reference No. 4942.

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### Management Accountant

Greenford, Middlesex

Glaxo Pharmaceuticals Limited is a principal UK operating subsidiary company of Glaxo Group and also has responsibility for the co-ordination of marketing and technical services world-wide.

The Finance Division, based at the company's headquarters at Greenford, provides a complete range of company management information including sales and profit performance, manufacturing and product costs, and product development and capital expenditure reporting. Necessarily, the management information systems are complex and sophisticated with a high degree of computerisation.

We are looking for an outstanding professional who will play a key role in providing financial information to senior management. Immediate responsibilities will include the preparation of budgets, financial plans, financial appraisals of capital investments, and management and financial reports for board level consideration.

Applicants should be qualified graduate accountants, with some post-qualification experience in industry or the profession, who are able to communicate effectively with all levels of management. We are seeking to recruit someone with both the ambition and the potential for development in the future to a more senior role in the financial control of the company.

We offer an attractive remuneration package, including a profit sharing bonus scheme and non-contributory pension scheme.

Please write or telephone for an application form to: Mr. M. E. Bates, Senior Personnel Officer.

**Glaxo Pharmaceuticals Limited**  
GREENFORD ROAD, GREENFORD, MIDDLESEX. TEL. 01-422 3434 ext. 2837 quoting reference: MEB/77

### Hoggett Bowers

Executive Search and Selection Consultants  
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

#### Financial Controller

Northumberland,  
to £16,000 + profit sharing + car

Our client, a highly successful private company manufacturing luxury consumer products for international recreation markets, is currently expanding into new product and market areas. Responsibility is to the Managing Director for the control of the financial, administration and MIS functions, including the production of management and statutory accounts to strict deadlines and the provision of financial advice for the senior executive. A key requirement is the review and updating of the organisation's standardised costing system. Qualified accountants with defined management skills and an outgoing personality must demonstrate success in a senior accounting role in manufacturing industry in a small to medium sized company and have extensive experience of computerised accounting techniques. Comprehensive benefits include relocation assistance if required and future prospects within this rapidly developing organisation are excellent.

K.H. Thompson, Ref: 46010/FT. Male or female candidates should telephone in confidence for a Personal History Form 0632-327485, 4 Masley Street, NEWCASTLE-UPON-TYNE, NE1 1DE.

### HEAD OF FINANCE circa £27,500

Applications are invited for this important senior appointment based in Bristol.

The Head of Finance will be responsible to the Chief Executive for the provision of a full financial service to the Authority and be the chief adviser on all its financial activities. The Authority currently has an annual turnover of £100m and a capital investment programme in excess of £45m per annum. The management of these budgets, the collection of income and the provision of an efficient standard of service to the consumer are all key aspects of the appointment.

The successful candidate will have considerable experience of financial management in a large organisation, evident flair in business and management, together with the capability of making a significant contribution to the overall management of the Authority. Appropriate professional qualifications are a prerequisite.

The industry's conditions of service for senior staff will apply, a car will be provided and assistance will be given with relocation where appropriate. Further details and application form, which should be returned no later than 30 January 1985, are available from: R.W.P. Bailey, Head of Personnel Services, Wessex Water, Wessex House Passage Street, Bristol BS2 0JQ. Telephone Bristol 280611.

**Wessex Water**

### High Calibre Accountant

Aylesbury

c £16,000

Our client, Rothmans International plc, is a diversified and successful international group, with worldwide sales of around £2,500 million and a strong record of profitable growth.

You will join a small team at corporate headquarters which reports to the Board and is concerned with all aspects of financial reporting. The year end consolidation and half yearly review of financial reports and accounting policies will take you to subsidiaries in Europe and North America, working closely with the group's professional advisers and top financial management in each country. You will also be involved on a variety of 'ad hoc' projects.

You must be a qualified accountant, probably in your mid twenties, with high technical ability and a first class track record in one of the international accounting firms. There are excellent prospects for career and salary progression in this highly professional and commercial environment. The remuneration package will be highly competitive.

Please write in confidence to John Cameron, quoting ref. C290, at 10 Bolt Court, London EC4 (telephone 01-583 3911).

**Chetwynd Streets**

Management Selection Limited

### Finance Director

Suffolk/Essex Border circa £25,000 + car

Chartered Accountants, (male/female) aged 35-45, who have already gained experience in the capital goods industry, including the problems inherent in tendering and are seeking a role where they will be actively involved in the business decision process, will find this position both stimulating and demanding. Our client is an autonomous company (T/O £55m) within a major UK industrial group. The finance function, which is at present engaged in a major computerisation programme, has a staff of 80. Applicants therefore must have a proven track record in man-management and the ability to communicate effectively at all levels. Generous assistance will be given with relocation costs. Ref. 1334/FT. Write or telephone for an application form, or send full details (with telephone numbers and current salary) to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

**Phillips & Carpenter**  
Selection Consultants

### Finance & Contracts Manager

scale rising to c. £15,000

This is a new post in the School of Mechanical Engineering at Cranfield Institute of Technology, one of the country's leading and most innovative technological centres. The School has a high reputation for all its activities, which include a large programme of industrially sponsored research, and an annual budget in excess of £3 million. The holder of this post will be responsible to the Head of the School for key areas of financial management, which will include the development of financial and management information systems and contract pricing and control procedures.

Candidates must have experience in budgetary control, costing and computer based systems, and preferably will hold an accountancy qualification coupled with industrial experience. The ability to gain the confidence of highly qualified technical colleagues is an essential quality.

Applicants are invited to send a c.v. to Professor R. S. Fletcher, School of Mechanical Engineering, Cranfield Institute of Technology, Cranfield, Bedford, MK43 0AL.

**Cranfield**

### FINANCIAL CONTROLLER

Holborn

up to £20,000

A well-established highly respected medium-sized firm of Solicitors is looking for an experienced qualified accountant with management abilities to act as the Financial Controller of the practice.

The Financial Controller's responsibilities will be:-  
- to manage the computerised accounts department and general administration of the firm;  
- to develop financial and cash planning, budgeting, accounting procedures, costing records and systems controls;  
- to provide the Partners with management accounts and financial data.

The successful applicant will also act as Secretary to the Partnership.

Ideal candidates, preferably aged 30 to 45, will have a thorough understanding of the needs of a medium-sized professional partnership, and be able to accept the challenge of introducing and maintaining an up-to-date accounting organisation and system. Experience of working with computer systems is essential. The salary and benefits will reflect the seniority of the position.

Applications, giving full details of previous experience and current salary, quoting reference DF/2080, should be sent in complete confidence to Patrick E. Bailey, at

Dearden Farrow A.I.M.  
Management Consultants  
40/43 Chancery Lane, London WC2A 1JF

**A.I.M.**

6/2/85



# Accountancy Appointments

## Chief Accountant

North West

To £16,000 plus car

Our client, a major security print and promotion company with a very impressive growth record, wishes to recruit a Chief Accountant.

The successful applicant will be responsible for the complete financial function of the company which includes the evaluation of diversification projects.

The ideal candidate will hold a professional qualification and have gained several years commercial experience.

An attractive remuneration package commensurate with qualifications, experience and achievement will be negotiated with the successful applicant. A relocation allowance will be provided if necessary.

Please reply in confidence giving full details of career to:

G N Elliott, Stoy Hayward & Co., Peter House, St. Peter's Square, Manchester M1 5BH.

## Exceptional Accountant

London base

Up to £24,000 + car

We are an expanding firm of management consultants associated with a leading accountancy practice. We advise on a broad range of problems including financial planning and analysis, and the design and implementation of management information systems.

There is currently an outstanding ground floor opportunity for an ambitious accountant to be associated with our growth. You will work with consultants from other disciplines, and there will be an opportunity to work in a variety of industries.

Your industrial or commercial experience could have been gained in either a line or staff position; but you must be a qualified accountant with an ability to stand alone with clients at a senior level. Previous experience of internal or external consultancy would be helpful, as would some knowledge of the installation of software packages.

Please write in confidence to Robin Gorrington, Managing Director, Clark Whitehill Consultants Ltd, 25 New Street Square, London ECA 3LN (telephone 01-553 1577).



Clark Whitehill

Constructive ideas in practice

## Group Internal Auditor Westminster

We are an expanding group of insurance companies with unit trust and property interests. We are creating a new senior position for an Internal Auditor to take responsibility for the many aspects of internal audit within the group.

The successful applicant, probably aged 26 to 40, will be a qualified accountant and will have had some practical auditing experience within the profession. This could be the first 'commercial' move for a young professional or the opportunity for an internal auditor in commerce to establish his/her own specialist department.

Reporting to the Secretary and Accountant, the Group Internal Auditor will be involved in formulating the corporate policy for internal audit and security, and the development of systems and procedures for the audit of branches, departments and data processing functions.

The appointment is based at Westminster but travel outside London to branches, Head Office departments and subsidiary companies will be necessary. The salary will be circa £18,000 depending on experience. The Company offers a car and a range of fringe benefits. Please write in the first instance to A.W.D. Spackman, TD, ACII, Group Assistant General Manager, giving full details of career to date and how these would match the needs of the new appointment.

Municipal Mutual Insurance Ltd., Old Queen Street, Westminster, London SW1H 9HN.



## DIRECTOR OF FINANCE

Kent

£21,000 + Car

+ Executive benefit package.

Our client is part of a highly successful multi-national group, operating worldwide.

The current Finance Director is due to retire in early 1985 and the UK company are now keen to recruit his successor.

Candidates, aged in their mid to late 30s will be qualified accountants, with a minimum of five years post qualification experience gained in an industrial/commercial environment. A knowledge of German would be useful but is by no means essential.

Written applications, enclosing career details, should be submitted, in the strictest confidence, to Robert N Collier or Neil Gillespie at our London address quoting reference number 4628.

410 Strand, London WC2R 0NS. Tel: 01-836 9501  
26 West Nile Street, Glasgow G1 2PE Tel: 041-226 3101  
119/115 George Street, Edinburgh EH2 4JH. Tel: 031-225 7244  
77 Fountain Street, Manchester M2 2ES. Tel: 061-236 1353

DOUGLAS LAMBIAS

Douglas Lambias Associates Limited

Accountancy &amp; Management

Recruitment Consultants



## TAX ADVISER / FINANCIAL ANALYST

International company based in West End of London has a vacancy for a Tax Adviser/Financial Analyst. Main duties shall be taxation advice on UK matters plus liaison with U.S. Tax Advisers. Supervision of accounts and preparation of quarterly Corporate Balance Sheets shall also be part of the job. The position requires a qualified CA with interest in Company Taxation with international flavour and all round ability in financial analysis of capital projects. Salary according to qualifications. Please reply to Box 4886, Financial Times 10 Cannon Street, London EC4P 4BY

## Partner Designate

Berkshire

£20,000 neg.

Our client is a progressive medium sized firm of Chartered Accountants based in London with an expanding regional presence. A senior manager is currently sought for potential partnership to be based at a recently created office in Reading.

Providing a personal service to a varied client portfolio, principal assignments will include audit, accountancy, tax and broadly based financial/business counselling.

Candidates will be qualified Chartered Accountants aged 28-35 with at least four years post-qualified experience, latterly at managerial level, and will preferably have first hand computer experience. To identify with this highly professional and enterprising firm, you must possess excellent organisational skills, strong commercial flair and an outgoing personality.

It is anticipated that the successful candidate will progress to partnership in the short term, and the initial salary package will be commensurate with individual experience and potential.

In the first instance contact Charles Macleod on 01-405 0442 or write, enclosing a comprehensive curriculum vitae, to Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.



Michael Page Partnership

International Recruitment Consultants

London New York Bristol

Birmingham Manchester Leeds Glasgow

## Group Finance Director

Southern Home Counties

To £35,000

Our client must be one of Britain's major success stories in recent years. In little over a decade, the Group has grown to become Europe's largest contractor in its field. The future promises to be even more exciting.

It is against this background that a Finance Director is now required to work in close collaboration with the Group's entrepreneurial Chairman and other board members to achieve ambitious further growth objectives. These include additional acquisitions, expansion of the Group's existing operations culminating in a full Stock Exchange listing in the short-medium term. The finance function is well structured and staffed and operates computerised accounting systems.

Candidates should be FCA, FCMA or FCCA qualified with a background of experience at a senior level in engineering, contracting or manufacturing concerns operating principally in overseas markets. Experience of taking a company to a public or USM listing is considered essential. Of prime importance also is the ability to negotiate multi-million pound contracts in overseas countries — often at ministerial level — and raising finance from ECGD, City and other funding institutions.

Salary will be negotiable to £35K and other benefits will be in keeping with the importance of this key position.

In the first instance, candidates should forward a.c.v. to The Chairman, Ref. MA 541, Robert Marshall Advertising Limited, 44 Wellington Street, London WC2E 7DJ



Robert Marshall Advertising Ltd

ACCOUNTANCY  
APPOINTMENTS  
APPEAR EVERY  
THURSDAY

## Head of Accounting

Bristol c. £15,000 + car

An outstanding opportunity has arisen for a technically competent accountant with above average business acumen to join Lucas Ingredients Limited, the leading U.K. manufacturer of savoury food ingredients and a subsidiary of Dalgety PLC.

Reporting to the Finance Director, the successful applicant will assume responsibility for costing, financial and management accounting. Working closely with senior managers from other disciplines, he/she will possess good interpersonal skills, sound management ability, and an innovative approach to financial and commercial matters.

Applicants should be professionally qualified with relevant experience in a manufacturing company.

Career prospects are good. The remuneration package includes a negotiable salary, 2 litre car, relocation expenses if appropriate, and other benefits associated with leading UK companies.

Applicants should send full career details to Mr M Wormald, Personnel Manager, Lucas Ingredients Limited, Moravian Road, Kingswood, Bristol BS15 2NG.



## Financial Director

Building/Construction c.£23,000

Our client is a major subsidiary of a rapidly expanding, medium sized UK group, involved in a wide range of industrial, commercial and retail premises construction work, mainly in the South East.

The Financial Director will be responsible for the complete finance function including contract cost control, the implementation and operation of computerised accounting systems, and meeting the group's reporting requirements.

Candidates, probably in their 30's, must be fully qualified accountants with a proven management record in the construction, building, and contracting industries within the UK.

An essential quality will be a strongly commercial approach and the ability to make a significant overall contribution to the successful management team.

The comprehensive remuneration package will include a performance related bonus, executive car, non contributory pension, and relocation expenses to the company's Northern Home Counties base if appropriate.

Please reply in complete confidence, enclosing a full curriculum vitae and quoting reference 1559 to Mike Hann who is advising on this appointment.



MANAGEMENT CONSULTANTS  
Odgers and Co Ltd, One Old Bury St,  
London W1X 3TD

## ACCOUNTANT

We are looking for a recently qualified accountant who will take charge of all our internal accounting functions covering administration and services and our trading branches (e.g. Hayward Gallery, Wigmore Hall).

The Accountant will report to the Internal Financial Controller and will manage the Accounts Section of 13 staff. She or he will be expected to prepare final accounts and show skill and enthusiasm for developing and implementing our computerised management accounting systems.

Salary is on a scale from £11,782-£14,444 per annum and the Council has a non-contributory pension scheme.

For an application form and job description please contact the Personnel Department, Arts Council, 105 Piccadilly, London W1V 0AU. Tel: 01-429 3495 ext 266. Closing date for receipt of applications: 25th January 1985.

— An Equal Opportunity Employer —

Arts Council OF GREAT BRITAIN

## HARP

c£14,000 + benefits

## management accountant

Our client, Harp Limited, a subsidiary of the Guinness Group brews and markets Harp, Kronenbourg and Setzenbrau Diet Pils lagers. It is seeking a recently qualified accountant to join its small head office team based in Central London.

This is an excellent opportunity to gain varied business experience, especially as a first move from the Profession.

The main responsibilities will be preparing and monitoring budgets

and cash flows and preparing management reports, making full use of and further developing computer systems. You will work closely with sales and marketing management, in particular on pricing and further market penetration and undertake wide-ranging financial and commercial exercises for the Finance Director.

Lloyd Management

Contact David Tod BSc FCA  
on 01-405 3499  
quoting ref: D/52/HF

125 High Holborn London WC1V 6DA Selection Consultants 01-405 3499



# Accountancy Appointments

## SAINSBURY'S Financial Analyst To £16,000 plus excellent package

This is a career opportunity to join one of our most successful public companies. J. Sainsbury plc, whose earnings per share have shown compound real growth of 13% p.a. over ten years. The current rate of investment far outstrips that of any other U.K. retailer.

As a result of internal promotion, the position of Financial Analyst is offered within the small but highly influential Financial Appraisal Department, which is responsible, inter alia, for the investment appraisal of all new branch projects. Career prospects are very good.

Candidates, ideally graduates, should have several years' experience in financial

analysis and accounting, including computer-aided investment appraisal and capital project accounting. A professional qualification would be an advantage. The benefits package includes company car, profit-sharing and share-option scheme. Please write in confidence, enclosing career details and quoting reference 5150/L, to N. P. Halsey, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT  
MARWICK

## Financial management

London, to £30,000



For a long established quoted group, turnover £300m which has widened its base considerably in recent years both geographically and in market and product sectors. With a strong balance sheet the company is well placed to further expand its range of interests both in the UK and overseas.

Reporting to the Group Financial Director the job is broadly based but with the emphasis on monitoring subsidiaries' performance, carrying out ad hoc investigations, reviewing the effectiveness of management information, trouble shooting and some systems work.

A qualified accountant probably in your early 30s you must have had several years' management accounting experience in industry both at divisional level and at the centre of a diverse group.

Resumes, including a daytime telephone number to John Robins, Executive Selection Division, Ref. 245.

Coopers  
& Lybrand  
associates

Coopers & Lybrand Associates Limited  
management consultants

Fleetway House 25 Farringdon Street  
London EC4A 4AQ

## ELECTROSONIC FINANCIAL CONTROLLER

If you are a qualified accountant who qualified at the first attempt, who is aged between 25 and 30 and who is currently earning £15,000 p.a. or more; and

If you have worked with your current employer for two years or more, have practical experience of working with computers and wish to make your future in the field of finance and management information systems; and

If you are also interested in joining a young, growing electronics company (turnover £10m) with good prospects of becoming its financial director;

I would like to hear from you. I believe we need one of you.

Ian Simpson, Managing Director  
ELECTROSONIC LIMITED  
815 Woolwich Road, London SE7 8LT

## COMPUTER AUDIT OPPORTUNITIES

UK Wide

£15,000 - £25,000 p.a.

Our client is a major international firm of chartered accountants with a substantial reputation for innovation and excellence in computer auditing. Its clients, which range from major industrial and financial organisations to recently quoted USM high technology companies, present considerable technical challenge and learning potential.

In order to meet its plans for growth the firm wishes to appoint to offices around the country chartered accountants with good practical experience of computer auditing. Opportunities are available either to join existing computer audit teams or to establish and develop computer audit services in certain major areas of the UK. The work will include the evaluation of controls in clients' systems and the development and implementation of in-house and client-based computer audit techniques. Very experienced candidates may be appointed as managers but there are a number of vacancies for relatively newly qualified accountants who have been involved in computer audit work.

These opportunities will appeal to men and women in the age range 27-33 who believe that their accounting, computer audit and personal communication skills are capable of further development in a demanding and challenging professional environment. Prospects for promotion are excellent.

For more information please contact George Oxenrod BA (Oxon) or Tim Forster B. Comm on 01-636 9501 or write with your C.V. to Douglas Llambras Associates Limited at our London address quoting reference no. 4917.

410 Strand, London WC2R 0NS. Tel: 01-636 9501  
26 West Nile Street, Glasgow G1 2PE. Tel: 041-225 3101  
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744  
Brook House, 77 Fountain Street  
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS  
LLAMBRAS  
Douglas Llambras Associates Limited  
Accountancy & Management  
Recruitment Consultants



## NATIONAL TECHNICAL MANAGERS

### Put your inside knowledge to good effect

Thornton Baker, one of the top 8 UK accountancy firms, has 60 offices throughout the country and is looking forward to continued expansion in 1985.

As you would expect strong technical back-up is absolutely vital to support this level of growth, and we are now looking for experienced Managers to join our National Office in London. These posts involve providing advice and guidance in many forms on audit, accounting, investigations, regulatory and industry areas. Since they are right at the heart of our business, these positions offer considerable scope for career development.

#### Senior Manager

We are looking for a capable and experienced person with 4-5 years' post qualification experience, with a strong audit bias, to provide informed

guidance and development within the firm.

#### Manager

For those with 2-3 years' post-qualification experience, the role of Technical Development Manager offers a breadth of experience in developing the firm's services, not available in any one individual office.

As you will also be involved in research and creation of the firm's publications and circulars, considerable skill, in both verbal and written communication, is fundamental to both positions.

We offer generous salaries, plus car and a first-class range of benefits. Please write with full c.v. to: Victor Tompkins—Director of Personnel, Thornton Baker, Fairfax House, Finsbury Place, London EC4V 6DW.

Thornton Baker



Nobody gets closer to clients

## Financial Controller Board prospects

West London

c.£25,000 + car

This is the top financial position with the UK sales and marketing subsidiary of the world's largest manufacturer of printing presses. UK turnover is approximately £50m.

Reporting to the Managing Director, the successful candidate will lead an established team providing financial, management information and EDP/systems support. Key tasks will include the control and direction of all accounting matters; enhancement of management information systems, including development of the EDP function; and full participation in management decision making.

Candidates will be chartered accountants, probably in their 30's, with at least five years' industrial/commercial experience outside the profession. Familiarity with computerised accounting systems; the ability to meet tight deadlines; and previous management experience, are essential.

The position offers real prospect for promotion to the Board, together with an initial package of £25,000 plus car.

Please write—in confidence—with full details to I.R. Lloyd ref.B.46002.

This appointment is open to men and women.  
HAY-MSL Selection and Advertising Limited,  
52 Grosvenor Gardens, London SW1W 0AW.  
Offices in Europe, the Americas, Africa, Australia and Asia Pacific.

HAY-MSL  
MANAGEMENT SELECTION

## Tate & Lyle PLC Group Internal Audit Manager

Bromley, Kent

c. £20,000 plus car

A Chartered Accountant is required to manage the Group's Internal Audit Function. As the leader of a small professional team responsible for financial, computer and operational audit within the UK, the job holder is primarily concerned with ensuring the effectiveness and efficiency of control systems and making recommendations for improvements where necessary.

Candidates, in their early thirties, must have sound audit management experience and, where this has been gained in a professional firm, additional commercial/industrial experience is required. A knowledge of computer systems is desirable.

Seven man management and communication skills and the ability to build up sound working relationships, particularly at senior levels, are other key requirements.

Other benefits include non-contributory pension and private medical insurance schemes.

Candidates should send a detailed career history to Jo Heigho, Consultant—Personnel Services, at: Tate & Lyle PLC, Sugar Quay, Lower Thames Street, London EC3R 6DQ.



Tate & Lyle

## GROUP CHIEF ACCOUNTANT

RURAL BEDFORDSHIRE

C. £16,000 + CAR

Trifield is the largest delivered distributor of home improvement and garden accessory products in the U.K. with a turnover approaching £60m. It services independent retail outlets and national high street multiples with a wide range of well-known household products from 12 depots in the U.K. and Northern Ireland. In addition, it has the extremely successful own brand range of quality products sold under the "double H" brand.

Based at the company's head office in Flitwick, close to the M1, and reporting to the Group Financial Director, the Group Chief Accountant will be a full executive member of the management team. He/she will control the head office financial function through a staff of eight and implement group financial policies through a team of regional accountants.

The position would best suit a qualified Accountant with several years post qualification experience and who can demonstrate a proven track record of timely reporting in a multi location organisation. For the successful candidate we offer a benefits package that reflects the seniority of the position, which includes generous salary, company car, non-contributory pension, life assurance and family private health care.

If you have the qualifications and experience to play an important role within a major publicly quoted group send a detailed c.v. and covering letter outlining how you believe your experience matches our requirements to:

Mr. P. J. Palmer  
Group Personnel Manager  
TRIFIELD HOLDING PLC  
Kings Road, Flitwick, Bedfordshire, MK45 1BH  
Tel: 0525 712121

## UK & EUROPEAN OPERATIONS CONTROLLER

c. £30,000 + car

Bracknell

TOP FINANCIAL ROLE IN UK & EUROPEAN HEAD-QUARTERS OF MAJOR US CORPORATION. PROVIDING ADVICE TO THE PRESIDENT, IMPROVING REPORTING SYSTEMS & CONTRIBUTING AS MEMBER OF SMALL HQ TEAM TO ENHANCEMENT OF PROFITABILITY.

Essential: Qualified accountant with significant financial control track record, analytical strength and motivational skill. Experience of US & UK accounting conventions, consolidation, budget & plans formulation, manufacturing costs & MIS. 35-55 years. Valuable: Experience in US corporation, Continental subsidiaries, taxation, pensions, European languages. Benefits: Salary + Bonus, Car, Non Cont Pension, LA, Good Relocation. Telephone or Write to Tony Barker in confidence: Tel: 01-408 1612

Anthony Barker Consultants  
Executive Search Consultants  
67-68 New Bond Street London W1Y 9DF

## Financial Controller

Surrey

c£14,000 + car

Our client is one of the largest property services groups in the UK with more than 120 branch offices, including residential estate agency, surveying, commercial property, relocation and insurance divisions.

The Group has ambitious growth and development plans and wishes to appoint a Financial Controller reporting directly to the Financial Director. The successful candidate will have responsibility for all aspects of financial control and for the implementation of new computerised accounting and management information systems for the Group.

Candidates should have sound experience in financial management, accounting and control. They should also have staff management experience and should preferably be qualified accountants. Previous experience of installing and operating a mini-computer based accounting system will also be a significant advantage. At a personal level, the qualities of initiative, enthusiasm and determination will be important attributes.

In addition to the salary indicated, benefits will include private medical insurance and a company car.

Candidates should apply in confidence detailing their career history and salary to:

Alannah Hunt, Executive Selection Division,  
Price Waterhouse Associates, Southwark Towers,  
32 London Bridge Street, London SE1 9SY.  
Please quote reference MCS/6033.

PW  
ASSOCIATES  
Business Needs Experts

A successful and expanding firm of consulting engineers seeks a

## PARTNERSHIP SECRETARY (DESIGNATE)

London

c. £18,000 + car

The firm of Troup Bywaters and Anders has grown rapidly since it was founded in 1958. Currently employing 150 people in four UK offices, the practice has recently undertaken a number of prestigious contracts. A full order book supports the partners' confidence in the firm's continued growth.

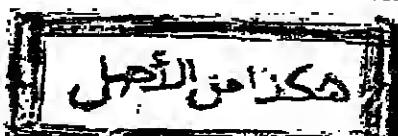
Due to the imminent retirement of the current Partnership Secretary, a successor is now required to manage all aspects of finance and administration, including office automation.

Applicants should be qualified accountants in the 28-45 age range who combine the willingness to be involved in matters of detail with the ability to take a strategic view and play an active role in the management team. Previous experience in a professional partnership would be an advantage.

Please send a comprehensive career résumé, including salary history and daytime telephone number quoting ref: 2239 to G.J. Perkins, Executive Selection Division.

Touche Ross & Co.

Hill House 1 Little New Street London EC4A 3TR. Tel: 01-353 8011





# Accountancy Appointments

## Systems Accountant Aberdeen

Total Oil Marine, a subsidiary of a major French oil company, currently supplies around 40% of the UK's natural gas through the Frigg system. A substantial North Sea operator committed to an expanding programme of offshore activity, we are now developing the Alwyn North Field as an important new source of both oil and gas for Britain.

A new position has arisen for a Systems Accountant in our Finance Department in Aberdeen. Primary responsibilities will include the in-house development of cost-related computerised systems within the company, where you will be involved in initial feasibility studies right through to final implementation. Our business applications currently run on an IBM mainframe, based in Aberdeen.

Probably aged around 25-30, candidates must hold an ACMA, ACCA or CA qualification and have experience of modern integrated computerised

accounting systems. The ability to communicate effectively is most important, utilising your creative and analytical skills to the full. In addition, extensive practical knowledge of business and finance systems will be invaluable.

Total offers an excellent index-linked salary with benefits including year-end bonus, BUPA membership, comprehensive pension and life assurance schemes and subsidised staff restaurant. Generous relocation assistance will be available where appropriate.

For an application form, please telephone or write to:

Paula Feathers,  
Recruitment & Training Officer,  
Total Oil Marine p.l.c.,  
Crawpeel Road,  
Aberdeen AB9 2AG,  
Tel: (0224) 875555.

## Total Oil Marine

Bringing energy ashore

Financial Management in a major bank

## YOUNG QUALIFIED ACCOUNTANTS

c.£16,000 + mortgage benefits

Our client is the Treasury Division of one of the world's largest banks. It is engaged in a far-reaching development of its financial and control systems. As a result it wishes to recruit 3 managers within the following areas:

### MULTI-CURRENCY ACCOUNTING/ STERLING ACCOUNTING

2 positions in line management. Both will control a small team with complete responsibility for the daily production of accounting information, with regular involvement in non-routine projects.

### AUDITOR

To join a small team involved specifically in setting up effective financial and operational controls with particular emphasis on new products.

Candidates should be qualified accountants (ACA, ACCA, ACCA) and will probably have between 6 months - 2 years P.Q.E. A knowledge of banking, possibly through audit, is preferable but by no means essential. Above all, candidates must be natural communicators and be prepared to adopt a 'shirt sleeves' attitude to these positions as they all present personal and technical challenges above the norm. This is an ideal opportunity to commence a banking career with a prime banking name, within one of its fastest growing divisions.

Please contact Kevin Byrne or Sarah Beaumont on 01-588 6644, or send a detailed curriculum vitae to the address below -

Anderson, Squires Ltd.,  
Bank Recruitment Specialists,  
85 London Wall,  
London EC2M 7AE.

Anderson, Squires

## Corporate Auditors Knightsbridge

Texaco is one of the world's leading international oil companies. In line with steady expansion and commitment to the future, a new department is being established at our UK head office. As a result we are seeking two accountants to join our young, rapidly developing corporate audit team. The positions are based at Knightsbridge but will involve some UK travel.

Reporting to the department manager, and working in close association with other management, your responsibilities will include the preparation of preliminary surveys and audit programmes, the review and analysis of internal operating functions and systems, the evaluation of audit test results and the progressing of audit exceptions.

Aged 25-30 you must hold a recognised accounting qualification, and have 1-3 years sound audit experience preferably gained in a large firm working on major clients or within internal audit. Good communications skills are essential.

Write enclosing full c.v. in the first instance to:  
Mike Swain, quoting ref: FT/1,  
Royds Personnel Services Limited,  
Royds House, Mandeville Place,  
London W1M 6AE.



RPS

Royds Personnel Services London Limited

## AUDIT CONTROLLER

Salary minimum £16,000

This appointment is required in early 1985, and is due to the retirement of the present holder. The objectives of the post are to assist the Society's management to discharge their responsibilities effectively regarding management, administration and finance, by the appropriate appraisal, analysis and review procedures. Candidates should hold recognised accounting, internal audit or similar professional qualifications. Experience

should encompass substantial audit content with not less than 10 years involvement in the internal audit function. Candidates must be prepared for considerable travel content in the role. Preferred age 35-55.

For further details and an application form please contact Mrs C E Mackness, Senior Personnel Officer, 12 Park Crescent, London, W1N 4EQ. Tel: 01-636 5020 ext 278. Closing date 24th January 1985.

THE SPASTICS SOCIETY

## F.D. POTENTIAL

An excellent career opportunity exists within the holding company of a substantial U.K. engineering group. This key appointment is regarded as a stepping stone to a Financial Directorship of an operating subsidiary. As Management Accountant, initial responsibilities will include financial planning and analysis and assisting operating companies with systems and management information problems. Candidates, aged 26-32, will be qualified accountants with broad financial accounting experience and a proven track record. Ref: JG.

W. LONDON c.£17,000 + Car

## SENIOR FINANCIAL ACCOUNTANT

Our client is a growing subsidiary of a U.K. retail group. This new position will suit a dynamic young accountant who seeks to make things happen. Reporting to the Financial Director the successful candidate will be responsible for managing and directing the finance department, numbering 14 staff, and implementing major new systems. Applicants should be qualified accountants with well developed management and communication skills, as well as a strong technical background. Excellent prospects within the group. Ref: CVI.

N. LONDON £16,000 + Car

ROBERT HALF  
FINANCIAL RECRUITMENT SPECIALISTS  
ROMAN HOUSE, WOOD STREET LONDON,  
EC2Y 5BA. 01-636 5191.

## Company Accountant

A senior role with a high technology leader up to £14k

Dowty Electronics Ltd. is an expanding and highly profitable member of the international Dowty Group of Companies and a leader in the design, development and manufacture of advanced control and communications systems for aerospace, defence and industrial applications.

The Company comprises four autonomous Divisions - Controls, Communications, Systems and International Defence Systems, all based in the London area.

As a major part of Dowty's growth programme, a Company Accountant is now required for the Head Office based at Acton, West London. Reporting to the Financial Director, your responsibilities will include consolidating Divisional results, controlling cash flow, analysing capital expenditure, preparing final accounts and consolidating budgets and forecasts.

You will need to have ICMA, ACCA or ACA qualifications, plus at least 5 years' accounting experience of various levels, and will therefore, probably be beyond your mid-20s. Candidates within the profession would be ideally suited to this position.

This position represents an ideal opportunity to enhance your career prospects within the Dowty Group, and will be rewarded with an excellent salary, pension, life assurance scheme, relocation expenses where applicable, and all the benefits you'd expect from a major international company.

In the first instance please send a full c.v. or telephone for an application form to: Mr R. K. Wilkinson, Personnel Manager, Dowty Electronics Ltd., 136 Mansfield Road, Western Avenue, Acton, London W3 0RT. Tel: 01-992 3434.

Dowty  
Limited

## CHIEF ACCOUNTANT

Licensed Dealers  
in Securities

Exceptional opportunity for enterprising accountant to assume financial and administrative control of rapidly expanding City-based Licensed Dealers. Starting salary to £18,000 plus bonus with prospects of speedy and substantial progress.

Apply with full c.v. in strictest confidence to Box A28-28, Financial Times, 10 Cannon Street, London EC4P 4BY.

## LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

### PART-TIME INTERNAL AUDITOR

Applications are invited for this position responsible, to the Finance Officer, for the drawing up, execution and periodic revision of an audit programme covering all the financial operations of the School. It is expected that the appointment would occur between 15 and 20 hours a week, working hours to be arranged with the Finance Officer. Applicants should have extensive accounting and audit experience and preferably possess a professional qualification in accountancy.

Salaries will be at an appropriate point, proportionate to the hours worked, on a full-time scale including London Allowance of £12,908-£16,158, according to qualifications and experience. Application form and further particulars obtainable from the Personnel Department, London School of Economics, Houghton Street, London WC2A 2AE. Applications should be returned by 28 January 1985.

# Financial Accountant

Mayfair c.£17,500

A market leader in telecommunications technology, our client is the world's largest producer of fully digital switching and transmission systems. Their UK financial centre incorporates the company's data systems and telecommunications activities into one organisation.

This new position presents an ideal opportunity to support a well established and fast developing operation, and to contribute to its extensive future plans.

Reporting to the Director, Finance and Administration, initial responsibilities will include annual and quarterly budget preparation, capital investment project evaluation and financial analysis of major sales proposals. You will also be involved in head office accounting, management reporting and a variety of ad hoc projects.

A qualified accountant with several years wide-ranging commercial experience, preferably gained in a high-technology environment, you must have a proven record in implementing and developing business systems together with an incisive, professional approach.

An attractive salary is offered along with a generous benefits package associated with a successful, international company.

Please send full career details, or telephone for an application form, in confidence to:

Karen Norris,  
quoting reference 019/JN.

Chiltern  
Recruitment  
Executive Search and Selection

10-12 High Street, Burnham,  
Bucks SL1 7JH. Telephone  
Burnham (06286) 67661.

# Group Management Accountant

Major Financial Services Group  
Portsmouth

Schroder Financial Management Limited provides financial planning and investment expertise to both private and corporate clients through life assurance, pensions, unit trusts, and ancillary financial services. The Company employs over 500 staff in over 20 locations in the United Kingdom.

A vacancy has arisen in the Head Office in Portsmouth for a Group Management Accountant. As a key member of the Group's Financial Management team, the Group Management Accountant will be involved in the preparation, implementation and monitoring of budgets and production of management information for Companies within the Group.

The requirement is for a qualified accountant with relevant experience preferably gained in a financial services environment. The nature of the role calls for a high level of communication skills and the ability to interact effectively with senior management within the Group.

In addition to a competitive salary, we offer a substantial range of benefits, which includes a Company car, mortgage subsidy and non-contributory pension scheme.

For further details and/or an application form, please write to or telephone: G.M. Keeley, Group Personnel Manager, Schroder Financial Management Limited, Enterprise House, Isambard Brunel Road, Portsmouth, PO1 2AW. Telephone: Portsmouth 827735 Ext. 335.



Schroders  
Schroder Financial Management Limited

## Financial Controller Commodity Trading

London £20,000-£23,000 + car

Our client is a leading and highly successful group of companies trading in edible commodities and operating food related manufacturing companies.

Expansion demands the appointment of a financial controller who will report to the main Board and be responsible for the accounting and reporting functions of all group companies both in the UK and on the Continent. Additionally, this person will be heavily involved in computerisation studies and will participate in the investigation of potential acquisitions.

The position will suit a graduate chartered accountant, aged 30-35, with a special interest in the financial aspects of commodity trading and the self starting ability to control this function with minimal supervision.

In the first instance please send brief personal and career details, in confidence, to Douglas G Mizon quoting reference F515M.



Ernst & Whinney Management Consultants  
Becket House, 1 Lambeth Palace Road, London SE1 7EU.



# Accountancy Appointments

## Finance Manager

Southern England

to £25,000 + car

Our client is a major part of an international group specialising in the marketing of high technology equipment. A growing and dynamic company, UK turnover is currently in excess of £100 million.

An opportunity has arisen for a high calibre professional to head a small team and assume responsibility for the cash management, foreign exchange dealings and credit management of the organisation. Reporting at a senior level you will be expected to communicate effectively with banking institutions, Government agencies and the sales, accounting and administrative functions within the company.

Candidates will preferably be graduates, ideally possessing a professional qualification and a consistent and progressive track record to date. Key personal qualities include drive, initiative and the self styled determination to match the company's progression in this competitive market sector.

An attractive salary package including a company car will be offered to the successful candidate.

Applicants should write to Nigel Bates FCA, enclosing a comprehensive curriculum vitae, quoting ref. 196, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.



**Michael Page Partnership**  
International Recruitment Consultants  
London New York Bristol  
Birmingham Manchester Leeds Glasgow

## Financial Manager

Frontier  
Technology

£21,000 + Car

S.W. London



**Arthur Young Executive Selection**  
Your next good idea

This innovative company is a world leader engaged in the engineering, design and construction of oil extraction facilities. Part of a U.S. multinational, the Europe/Africa Division employs some 5,000 people. Its unrivalled achievements in the most inhospitable of environments have contributed to its success and expansion. Consequently, the financial control function is to be further strengthened. The Financial Manager of a major operating division leads 25 staff and is responsible for the integrity of the financial systems. The finance function supports a demanding management team by providing and interpreting technically complex monthly information. The Manager will be involved in bidding and contract

negotiations and will be expected to contribute to commercial decisions.

The company seeks a qualified accountant aged around 32. You will need previous staff management and line accounting experience. More important, you should have the intellect, communication skills and maturity to participate in the growth of this expanding operation. There are outstanding opportunities for promotion and development.

Please reply in confidence giving concise career, salary and personal details quoting Ref. ER742/FT to H. F. Male, Executive Selection, Arthur Young, Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 3NF.

## Hoggett Bowers

Executive Search and Selection Consultants  
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

### Challenging Management/Accounting Opportunities

East Midlands, £18,000 + car

Part of a major international organisation, the client is a substantial and profitable engineering contractor undertaking large multi-disciplined turnkey projects worldwide. These key appointments represent superb opportunities for accountancy professionals to further develop their careers.

#### Cost & Management Accountant

Reporting to the Financial Director, responsibility will involve project appraisal, project cost control, on site assessment, and human resources development. The successful candidate will have the communications skills/personal qualities commensurate with working effectively with a wide range of operational and functional managers. Applicants, aged 30-45, with ACA/ACMA or equivalent, should have a broad and progressive cost and management accountancy background gained in a contracting or engineering/manufacturing background.

#### Chief Accountant

Reporting to the Financial Director, responsibility will be for the integrity of the accounting system, statutory and internal company reporting requirements, and the performance of an accounts team. Technical expertise and the skill to communicate effectively at all levels are essential requirements. Candidates, aged 30-45, with ACA or equivalent, should have a progressive and successful track record ideally including experience of large company reporting procedures.

Both appointments will involve significant overseas travel for which there is an appropriate full allocation allowance. The excellent company terms and conditions include relocation assistance to this attractive area.

L.H. Wright, Ref: 36118/FT. Male or female candidates should telephone in confidence for a Personal History Form, 021-622 2961, Albany House, Hurst Street, BIRMINGHAM, B5 4BD.

## EDP AUDITORS (3)

Age 22-30 neg. £17,000-£20,000 + CAR

Our clients are a CITY based BRITISH MULTI-NATIONAL with 2 vacancies involving INTERNATIONAL TRAVEL to the USA, FRANCE & GERMANY. In this case the overall travel percentage is c.20% so that candidates can be either married or single.

Annual turnover is currently in excess of £1,000m and members of the EDP audit team will be working on some of the most highly developed IBM SYSTEMS in operation today.

The third vacancy involves 50% European travel for a U.S. MULTI-NATIONAL in Surrey with \$500m current EUROPEAN turnover and a RECENT MAJOR ACQUISITION adding an additional \$200m to annual sales.

### EUROPEAN TRAVELLER

Age 22-27 neg. c.£17,000 + relocation  
Our client is a major U.S. multinational based in WEYBRIDGE with projected turnover approaching \$1,000m.

The successful candidate will be a young qualified single ACA/ACCA or equivalent with a good professional background and strong all-round personal attributes.

There is a HIGH TRAVEL percentage throughout Europe i.e. to FRANCE, GERMANY, SPAIN, SCANDINAVIA, DENMARK, BENELUX countries and SOUTH AFRICA.

Candidates should therefore ideally have a GOOD to FLUENT second EUROPEAN language or at the very least be willing to achieve fluency swiftly.

Please contact and send your C.V. to:  
GEORGE D. MAXWELL, Managing Director  
ACCOUNTANCY APPOINTMENTS EUROPE

1-3 Mortimer Street, London W1  
Tel: 01-580 7695/7739 (direct) or  
01-637 5277 ext 281/282



## Financial Controller

To £18,000 + Car

London W1

For a successful, small and rapidly growing group engaged in property management and development now expanding by acquisition into a variety of markets including the U.S.A. and high technology areas.

The job-holder will report directly to the Managing Director and be responsible for continuing computerisation, improving management information as well as all day-to-day accounting. The opportunity exists to become increasingly involved in the general management of the organisation in the medium-term.

Candidates can be RECENTLY qualified accountants, or with up to 5 years further experience and probably aged 25 - 30. Experience of micro computers is essential and knowledge of accounting for foreign exchange is desirable.

Please send your career details to Barry C. Skates quoting reference 6758.

**Mervyn Hughes  
Alexandre Tice  
(International) Ltd.**  
Management Recruitment Consultants



37 Golden Square,  
London W1R 4AN.  
Tel: 01-434 4091

## ACA/ACCA/ACMA or FINALIST

Age 22-26

neg. to £15,000

Our client is a U.S. MULTI-NATIONAL with EUROPEAN HEADQUARTERS in WEST LONDON and worldwide turnover in excess of \$100m in the LEISURE INDUSTRY. A newly qualified Accountant or EXCEPTIONAL FINALIST with good communication skills and a positive personality is required for a position with VERY HIGH VISIBILITY to senior management.

The successful candidate should be ambitious and dynamic, with a burning desire to succeed and a real interest in being personally involved at the SHARP END of INTERNATIONAL COMMERCE.

Promotion prospects for someone of the right calibre are EXCEPTIONAL.

Please telephone to arrange an early meeting with the company's adviser:

GEORGE D. MAXWELL, Managing Director  
ACCOUNTANCY APPOINTMENTS EUROPE  
1-3 Mortimer Street, London W1

Tel: 01-580 7695/7739 (direct) or 01-637 5277 ext 281/282



## Ambitious Young Accountants/MBA's INTERNATIONAL FINANCIAL ANALYSIS Major U.S. FMCG

Berks

c.£14,000 neg. + car

Our client has achieved world leadership in fast moving consumer products. Turnover is around \$1 billion and has been achieved by strong centralised financial controls and clearly conceived marketing strategies.

Reporting at a senior level, your role will embrace the development and control of a global financial reporting and decision support network. This will include financial modelling techniques involving micro computers linked to an IBM mainframe. The financial analysis and international reporting will require you to manage a sophisticated data base and will include balance sheet analysis, funds flow, product performance and planning exercises.

Applicants should possess highly analytical and innovative qualities and should preferably be recently qualified Accountants or MBA's with some exposure to state-of-the-art financial modelling. Preference will be given to applicants who reveal outstanding potential and good interpersonal skills. A relocation package is available. Please call David Chorley on 01-387 5400 (out-of-hours on 01-642 8459) for a confidential exchange of information or write with full career details to:

**FINANCIAL SELECTION SERVICES**  
DRAYTON HOUSE, GORDON STREET, BLOOMSBURY, LONDON WC1H 0AN  
TELEPHONE: 01-387 5400

## INTERNAL AUDITOR

W1 £16,000 + Car

Fully qualified Chartered Accountant, with at least 5 years' commercial experience in consumer goods industry, required for top retailer outfit. Solid managerial background and good communication skills essential. In-depth knowledge of computers preferable, with emphasis on the implementation and development of audit programmes. IBM 34.

Contact:

Mr. Paul Sutton, 131/133 Cannon Street, London EC4.  
Tel: 01-283 7533

**BROOK STREET ACCOUNTANCY**

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## FINANCE MANAGERS

BRACKNELL

British Aerospace Dynamics Group at Bracknell is a major contender in design and development of leading-edge defence systems. The Finance Department operates in a highly stimulating, professional environment which furthers established skills. Qualified accountants, with proven management experience, will be given every opportunity to enhance their prospects.

### FINANCIAL ACCOUNTING MANAGER

To be responsible for all aspects of management financial reporting and statutory accounts, and the co-ordination of financial forecasts and budgets. This will, inter alia, include controlling the computerised general ledger and its planned enhancements, preparing statutory accounts and regular financial reports as well as performing additional appraisals and evaluations.

### OVERHEADS & CAPITAL MANAGER

A wide ranging role with principal responsibility for the preparation and reporting of labour and overhead budgets and rates for pricing purposes (including MOD rates) together with financial budgeting, justification and control of the Division's capital assets.

Both positions call for qualified accountants with at least 5 years' experience at a supervisory level and a background in computer-based accounting systems in a similar environment would be advantageous.

Competitive salaries will be supported by the usual benefits and assistance with relocation where appropriate.

To apply, please send full career details to Kevin Harris, Assistant Personnel Manager, British Aerospace Dynamics Group - Bracknell Division, Downshire Way, Bracknell, Berkshire RG12 1QL. Telephone Bracknell (0344) 483222.



**BRITISH AEROSPACE**  
DYNAMICS GROUP

## TREASURY ACCOUNTANT

Up to £16.5K package Rural Hampshire

The TSB Trust Company's expansion continues unabated. The insurance and unit trust subsidiary of the TSB Group throughout the UK has both TSB Bank customers and the public increasing their demand for our comprehensive product portfolio. 1984 was one of our best years yet, creating new opportunities at all levels, and there are future exciting prospects following the impending share issue.

The Treasury function is playing an increasingly important role in our operations. Your task will be to accelerate the pace by improving cash management, in terms of reporting, forecasting and investment of funds, particularly in relation to non unit linked investment portfolios currently valued at around £130 million.

Principal responsibilities span controlling the movement of funds and investment transactions; analysing and

appraising long term market trends; developing professional relations with our bankers and advisers; and acting as first-line contact for most treasury matters.

Applicants should either be qualified with a minimum of 2 years' post qualification experience, preferably in a treasury environment, or have a sound background in driving treasury development. Knowledge of economics and stock markets is essential along with considerable investment acumen.

The salary package includes mortgage subsidy and we also offer non-contributory pension scheme, profit share/bonus and relocation assistance to this pleasant part of rural Hampshire. Please telephone or write for an application form: Trisha Western, Personnel Department, TSB Trust Company Limited, Keens House, Andover, Hampshire SP10 1PC. Tel: Andover (0264) 51045.



TRUST COMPANY

## FINANCIAL DIRECTOR

Chester Area

c. £25K

• Disk Memory Products Ltd is a newly-formed high-technology company with substantial institutional backing. To complete the strong management team we now seek a financial director whose first task will be to establish, staff and manage the financial and management accounting systems.

• He or she will be an accountant with a large manufacturing company background and some experience in multi-currency trading and in the computer/computer peripheral business. Energy, ambition and communication skills of a high order must be backed by a conservative (but not negative) approach to business. Age probably late-30s.

• The salary will be negotiable around £25K. Car, Share-option scheme. Life and medical insurance. Pension to be arranged. Assistance with relocation.

• For further details and an application form please telephone Lyn Davies, Recruitment Secretary, on Windoor (07535) 67175 (24hrs) quoting Ref. DM518.

**3i Investors in Industry Consultants Limited**  
Recruitment Division

62/2/85/11/11/11



## SECTION III - INTERNATIONAL MARKETS

## FINANCIAL TIMES

Thursday January 10 1985

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## WALL STREET

Positive  
undertone  
develops

A CHANGE of mood emerged on Wall Street yesterday when unemployment statistics for December indicated renewed vigour in the economy, writes Terry Byland in New York.

A fresh dip in federal funds and other short-term interest rates prompted the first of an expected round of prime-rate cuts by the banks.

The stock market bounced up through the 1,200 level of the Dow Jones industrial average as turnover gathered pace at mid-session. By 3pm the Dow was 8.38 higher at 1,201.08.

The credit sector, however, was less happy with the prospect of a resurgent economy which may discourage the Federal Reserve from a further easing in credit policies. Treasury bill and money market rates eased, behind the lower federal funds rate, but the bond market hung fire after losing some early gains.

The December unemployment figures were "pretty good news" for the stock market, said Mr Roger Brinner of Data Resources, the economic forecasting firm. Although unemployment was a shade higher, an increase in non-farm employment indicated a pick-up in the economy.

Some analysts began upgrading their forecasts both for GNP and corporate profits in the first quarter of 1985, optimism was further encouraged when Southwest Bank of St Louis cut its prime rate from 10 1/4 per cent to 10 per cent. The St Louis bank has previously been a front-runner in prime rate changes, and the market hopes to see the big money centre banks cutting rates this week. Also bullish was a reduction by U.S. Trust in its broker loan rate, from 9 1/4 per cent to 9 per cent.

The banks will this week open the corporate reporting season with profits statements for fiscal 1984. Fleet Financial rose 5 1/4 to \$29 1/4, after announcing higher earnings for the final quarter. Other banks were mixed.

Wall Street's predictions for fourth-quarter results from the industrial sector is overshadowed by the apparent slowdown in the economy towards the end of the period, and this continued to curb enthusiasm yesterday. A big hurdle could be IBM's results, expected next week. At \$120 1/4, IBM added 5 1/4, but Digital Equipment, number two in the industry, jumped 2 1/2 to \$104 1/4. Higher profits at Colt Industries took the stock up 1 1/4 to \$52 1/4.

Renewed nervousness over tensions in the home computer market drove Commodore International down 1 1/4 to \$15.

General Motors, responding to formation of a new Saturn car subsidiary to meet the Japanese challenge, traded 5 1/4 to the good at \$77 1/4. Ford at \$44 1/4 gained 5 1/4.

Oil stocks remained sluggish as world oil prices continued to slide. Exxon was unchanged at \$44 1/4, and Atlantic Rich-

field at \$42 1/4 lost 5 1/4. The Occidental-Shamrock fiasco, with its severe loss to underwriters, has temporarily curbed the bid speculators.

Occidental at \$23 1/4 gained 3 1/4, and Diamond Shamrock edged up 1/4 to \$16 1/4, but both stocks traded calmly. Tidewater, the oil rig service group, eased 1/4 to \$18 1/4 after the board rejected Mr Irwin Jacob's offer of between \$25 and \$28 a share.

Lower oil prices were still good news for airline stocks. United added 5 1/4 to \$45 1/4 on disclosing a special gain to profits, while American Airlines stood out again at \$37 1/4, a net \$1 higher.

Dull spots, against the trend, included Deere, the farm equipment maker which dipped 5 1/4 to \$23 1/4 after Standard & Poor's downgraded its debt, and International Harvester, 5 1/4 lower at \$8.

In the credit market, federal funds dipped to 7 1/4 per cent, helping the short end of the market. Bond prices, however, were held in check by the unemployment statistics and by uncertainty ahead of further increases. The price of the key long bond at 102 3/4 was hardly changed from overnight. After moving through a narrow range.

## LONDON

Institutional  
funds fuel  
third peak

INSTITUTIONAL cash was abundant again in London stock markets yesterday enabling leading equities to continue higher.

The FT Ordinary share index consequently made further strides towards the 1,000 level, to close 11.9 higher at 983.1. This was a third consecutive record and represents a rise of over 54 points since last Friday.

Investors dismissed sterling's latest tumble to a new all-time low - the rate recovered later as the dollar lost firmness - and gained confidence from last month's money supply trends.

Government stocks cast off initial reservations over sterling, and closing gains extended to nearly a point among longer-dated stocks. Shorts rose 1/4 in places, and both areas of the market enjoyed an extension of the trend after hours.

Chief price changes, Page 34; Details, Page 35; Share information service, Pages 36-37

## TOKYO

Arms accord  
provides  
momentum

THE potential effect on the U.S. economy of the Geneva agreement on resuming arms reduction talks with the Soviet Union gave added momentum to buying in Tokyo yesterday, sending the Nikkei-Dow index to another record high, writes Shingoo Nishitani of Jiji Press.

Increasingly, however, investors played a "money game," buying biotechnology-related stocks in the morning, selling them in the afternoon and purchasing medium and low-priced chemicals.

The Nikkei-Dow market average rose 83.78 to 11,763.57, for a second consecutive all-time high. Trading volume expanded to 591.94m shares from Tuesday's 433.54m, and gains outpaced losers 419 to 327, with 150 issues unchanged.

Buying interest, stimulated by the yen's rally on Tuesday, was further encouraged by the agreement between U.S. Secretary of State Mr. George Shultz and Soviet Foreign Minister Mr. Andrei Gromyko in Geneva and the record highs registered on the London and Frankfurt exchanges.

Leading brokerage houses expect the accord to lead to a cut in U.S. military spending, a drop in U.S. interest rates and help the sustained growth of the American economy. None the less, trading was very speculative.

Biotechnology-related stocks, actively bought in the morning, came under profit-taking pressure. Toyoko shot up Y130 early in the session but closed Y30 lower from Tuesday at Y1,510. Asahi Chemical remained on top of the most active list with 32.80m shares changing hands, gaining Y13 at one stage, but it finished at Y114, down Y24.

As biotechnology stocks lost popularity, chemicals started drawing buy orders. Nippon Oil and Fats advanced Y25 to Y625 on the day's third heaviest trading of 23.16m shares. Tokuyama Soda and Nissan Chemical gained Y14 to Y599 and Y19 to Y354, respectively, while Toyoko Soda went up Y13 to Y386.

Some blue chips attracted large-lot buy orders, with Nippon Columbia registering a daily limit gain of Y200 to Y1,370. Pioneer added Y40 to Y2,880, Fuji Photo Film jumped Y50 to Y1,670 and Canon soared Y80 to Y1,390. Hitachi closed Y19 higher at Y870, Fujitsu Y30 up at Y1,380 and Honda Motor Y30 higher at Y1,270.

Demand for these stocks was prompted by non-residents' buying, which totalled 30.5m shares, exceeding selling (24m shares) for the first time in many sessions.

The yen's drop yesterday kept investors to the sidelines on the bond market after Tuesday's upsurge. City and trust banks continued small-lot trading, but no active attitude was seen.

The yield on the harmonized 7.3 per cent government bonds maturing in December 1993 edged up to 8.595 per cent from 8.500 per cent.

## EUROPE

Further  
round of  
records

THE BULLS continued to stampede on some of the larger European bourses yesterday as further records were set in West Germany, Switzerland, France and Italy.

Investors were spurred on by local incentives against a backdrop of a firmer Wall Street and the prospect of currency gains.

Frankfurt trading took the two major indices to new peaks for the third consecutive day. The Commerzbank index gained 3.9 to 1141.1, while the wider-based FAZ index moved 1.07 up to 391.66.

A surge of foreign buying swamped early profit-taking by professionals leaving most sectors higher although chemicals and banks registered some losses. Cars and stores led the rally.

BMW soared an early DM 16 but retreated to finish a net DM 6 ahead at DM 367, while Porsche held a DM 6.50 rise to DM 1,055.

Kaufhof's DM 5 rise to DM 224 led in retailers, while in the financial sector Deutsche took weaker banks down with

a DM 2.40 decline to DM 401. Insurer Allianz continued to make steady progress with a further DM 8 advance to DM 1,063, a gain of DM 83 so far this week.

Bonds were firmer, with gains of up to 15 basis points, while a belief that interest rates will fall continued to underpin the market.

The Bundesbank sold DM 25.5m of paper, compared with Tuesday's DM 46.1m.

Early profit-takers succumbed to late heavy buying in Zurich as the previous session's rally was extended with new 12-month highs being recorded by most of the main stock indices. The Swiss Bank industrial index rose 0.2 to 403.5.

The sharp rebound by the dollar persuaded many investors to pick up what they viewed as bargains, thus hiding up insurers and medium-sized banks.

Swiss Re soared SwFr 100 to SwFr 6,850, while Bank Leu gained SwFr 20 to SwFr 3,820. Credit Suisse put on SwFr 5 to SwFr 2,400 ahead of its cut in interest rates on customer time deposits by 1/4 point to 4 1/4 per cent - a move also made by the other large banks.

Selective trading, tinged with profit-taking, took Paris to a record high as the CAC General index gained 1.6 to 167.7.

The progress was aided by a 1/2-point cut in base lending rates to 11 1/2 per cent, thus confirming market hopes of further falls in domestic interest rates.

Among the leaders, Peugeot gained FFf 9.70 to FFf 259.50, and Michelin rose FFf 30 to FFf 808 despite layoffs at its UK subsidiary.

In foods BSN Gervais advanced FFf 45 to FFf 2,405. Stores saw Carrefour edge FFf 18 higher to FFf 1,838 and Au Printemps FFf 1.50 to FFf 180.50.

Hoogovens took the brunt of consolidation in an easier Amsterdam as the steelmaker slumped Fl 7.50 to Fl 63 after results.

The strength of the dollar did not appear to affect sentiment much as international, with a particular sensitivity to dollar-based earnings, held their ground or eased slightly.

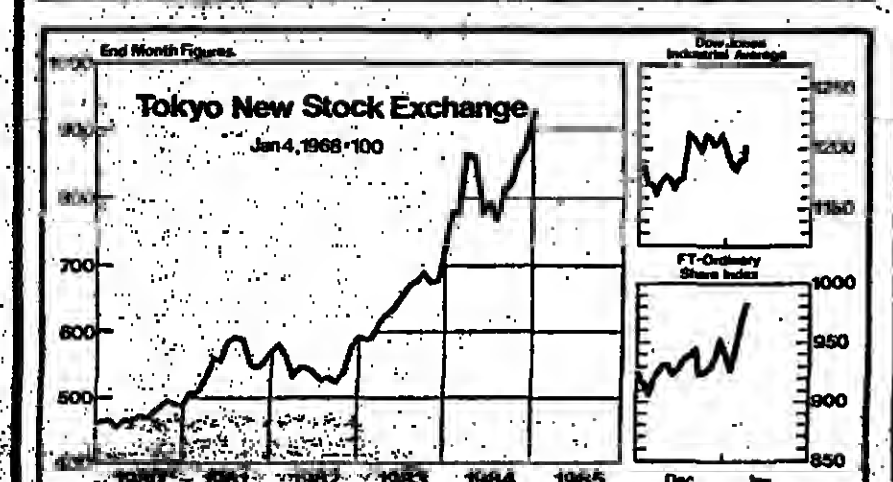
Bonds surged on substantial turnover, and the ANP-CBS bond index hit a record high of 108.6, up 0.1.

The record run in Milan saw a 2 per cent rise in the bourse index to 238.21 and Fiat race ahead with a L95 gain to L2,180 on hopes of stronger 1984 earnings.

Brussels and Madrid edged lower in quiet trading.

Stockholm posted solid gains in heavy turnover.

## KEY MARKET MONITORS



STOCK MARKET INDICES			
	Jan 9	Previous	Year ago
NEW YORK			
DJ Industrials	1,201.08	1,191.70	1,286.22
DJ Transport	563.11	556.69	612.63
DJ Utilities	147.00	146.85	139.77
S&P Composite	165.12	163.99	168.90
LONDON			
FT Ord	983.1	971.2	790.0
FTSE 100	1,253.2	1,243.5	1,084.8
FT-A All-share	605.35	598.31	492.49
FT-A 500	665.74	657.58	515.2
FT Gold mines	451.3	455.2	546.8
FT-A Long gilt	10.36	10.4	10.1
TOKYO			
Nikkei-Dow	11,763.57	11,678.79	10,053.8
Tokyo SE	983.1	922.54	750.31
AUSTRALIA			
All Ord.	715.6	718.3	787.9
Metals & Mins.	395.2	396.8	565.8
AUSTRIA			
Credit Aktien	58.73	58.91	55.49
BERLIN			
Belgian SE	2,153.45	2,158.3	-
CANADA			
Toronto	1,933.2	1,922.5	2,517.0
Metals & Mins	2,355.9	2,348.6	2,580.9
Montreal	117.79	117.15	127.62
DENMARK			
Copenhagen SE	159.28	158.44	221.97
FRANCE			
CAC Gen	187.7	186.1	185.5
Ind. Tendance	103.4	103.2	87.7
WEST GERMANY			
FAZ-Aktien	392.73	391.66	399.96
Commerzbank	1,141.4	1,137.9	1,065.4
HONG KONG			
Hang Seng	1,289.95	1,283.01	937.46
ITALY			
Borsa Comh.	238.21	232.84	203.82
NETHERLANDS			
ANP-CBS Gen	186.5	188.2	165.6
ANP-CBS Ind	149.8	149.8	137.6
NORWAY			
Olo SE	308.79	307.23	232.0
SINGAPORE			
Straits Times	770.46	782.88	1,034.38
SOUTH AFRICA			
Gold	939.7	934.9	810.2
Industrials	824.8	815.3	1,008.4
SPAIN			
Madrid SE	104.84	105.0	102.29
SWEDEN			
J & P	1,417.51	1,408.6	1,506.19
SWITZERLAND			
Swiss Bank Ind	403.5	403.3	394.5
WORLD			
Jan 8			
Capital Int'l	185.5	184.7	187.1
GOLD (per ounce)			
	Jan 9	Prev	Year ago
London	\$300.55	\$302.25	
Zurich	\$298.00	\$300.75	
Paris (Bling)	\$300.04	\$305.53	
London (Bling)	\$298.05	\$303.75	
New York (Feb)	\$305.50	\$298.00	
* Latest available figure			

CURRENCIES			
	Jan 9	Previous	Jan 9
(London)			
US Dollar	1.142	1.142	1.148
DM	3.163	3.154	3.075
Yen	255.05	253.7	290.25
FFf	9.685	9.682	11.03
SwFr	2.6515	2.6355	3.02
Guilder	3.565	3.563	4.065
Lira	1.937.5	1.933.5	2,214.5
BPf	63.2	63.15	72.15
CS	1.32025	1.32075	1.5085
INTEREST RATES			
	Jan 9	Prev	
Euro-currencies			
3-month offered rate			
US	10 1/4	10 1/4	10 1/4
SwFr	4 1/4	4 1/4	4 1/4
DM	5 1/4	5 1/4	5 1/4
FFf	10 1/4	10 1/4	10 1/4
FT London Interbank fixing			
(offered rate)			
3-month US\$	8 1/4	8 1/4	8 1/4
6-month US\$	8 1/4	8 1/4	8 1/4
US\$ Fed Funds	7 1/4	7 1/4	7 1/4
US\$ 3-month CDs	8.00	8.10	
US\$ 3-month T-bills	7.88	7.76	
U.S. BONDS			
	Jan 9	Prev	Yield
Treasury			
9 1/4 1985	99 1/4	99 1/4	9 1/4
11 1/4 1985	101 1/4	101 1/4	11 1/4
11 1/4 1986	101 1/4	101 1/4	11 1/4
11 1/4 2014	102 1/4	102 1/4	11 1/4
Corporate			
AT & T	95 1/4	95 1/4	11 1/4
10 1/4 June 1990	95 1/4	95 1/4	11 1/4
3 1/4 July 1990	73 1/4	73 1/4	10 3/4
8 1/4 May 2000	76 1/4	76 1/4	12 1/4
Xerox	93 1/4	93 1/4	12 1/4
10 1/4 March 1985	93 1/4	93 1/4	12 1/4
Diamond Shamrock	92 1/4	92 1/4	12 1/4
10 1/4 May 1990	92 1/4	92 1/4	12 1/4
Federated Dept Stores	86 1/4	86 1/4	12 3/4
10 1/4 May 2013	86 1/4	86 1/4	12 3/4
Alcoa	94 1/4	94 1/4	12 5/8
11 1/4 Feb 2013	94 1/4	94 1/4	12 5/8
Alcoa	96 1/4	96 1/4	12 7/8
12 1/4 Dec 2012	96 1/4	96 1/4	12 7/8
FINANCIAL FUTURES			
	Latest	High	Low
CHICAGO			
U.S. Treasury Bonds (CBT)			
8 1/4 30nds of 100%	71-26	71-31	71-18
Mar	71-26	71-31	71-18
U.S. Treasury Bills (BIM)			
5 1/4m points of 100%	92.03	92.05	91.96
Mar	92.03	92.05	91.96
Certificates of Deposit (BIM)			
5 1/4m points of 100%	91.31	91.34	91.25
Mar	91.31	91.34	91.25
LONDON			
Three-month Eurodollar			
5 1/4m points of 100%	90.93	90.96	90.84
Mar	90.93	90.96	90.84
90-day National Gilt			
250,000 30nds of 100%	107-06	107-08	106-07
Mar	107-06	107-08	106-07
COMMODITIES			
	Jan 8	Prev	
(London)			
Silver (spot fixing)	\$14.70	\$25.95	
Copper (cash)	\$1.183.50	\$1.152.50	
Coffee (Mar)	\$2.315.50	\$2.280.50	
Oil (spot Arabian Light)	\$28.15	\$28.10	

A FINANCIAL TIMES SURVEY  
INTERNATIONAL  
CAPITAL MARKETS

MARCH 18, 1985

The Financial Times is planning to publish a Survey on International Capital Markets in its issue of March 18, 1985. The provisional editorial synopsis is set out below:

**INTRODUCTION** Deregulation of domestic markets and continuing volatility of interest and exchange rates have encouraged a period of rapid change in the international capital markets. Following the abolition of withholding tax the U.S. Treasury has borrowed for the first time in Europe; a new market has developed in syndicated Euronotes, and debt swaps are bringing bond markets in a range of currencies much closer together.

Editorial coverage will also include:

- The World Economy and Payments Trends
- Interest and Exchange Rates
- The Developing Country Debt Crisis
- The Bond Market
- The City Revolution
- Tokyo and New York
- New Techniques and Instruments
- The Syndicated Loan Markets
- Specialist Financing

Copy Date: March 4, 1985

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10 Cannon Street, London EC4P 4BY  
Tel: 01-248 8000 Ext. 4063 Telex: 885033

FINANCIAL TIMES  
EUROPE'S BUSINESS NEWSPAPER

The size, contents and publication dates of all Surveys appearing in the Financial Times are subject to change at the discretion of the Editor



Prices at 3pm, January 9

## NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month	High	Low	Stock	Div. Yld.	P/E	100s High	Low	Open	Close	12 Month	High	Low	Stock	Div. Yld.	P/E	100s High	Low	Open	Close
High	Low									High	Low								
20	15	10	AA	4.27	8	20	15	10	10	20	15	10	AA	4.27	8	20	15	10	10
15	10	5	AB	4.27	8	20	15	10	10	20	15	10	AB	4.27	8	20	15	10	10
10	5	0	AC	4.27	8	20	15	10	10	20	15	10	AC	4.27	8	20	15	10	10
5	0	-5	AD	4.27	8	20	15	10	10	20	15	10	AD	4.27	8	20	15	10	10
0	-5	-10	AE	4.27	8	20	15	10	10	20	15	10	AE	4.27	8	20	15	10	10
-5	-10	-15	AF	4.27	8	20	15	10	10	20	15	10	AF	4.27	8	20	15	10	10
-10	-15	-20	AG	4.27	8	20	15	10	10	20	15	10	AG	4.27	8	20	15	10	10
-15	-20	-25	AH	4.27	8	20	15	10	10	20	15	10	AH	4.27	8	20	15	10	10
-20	-25	-30	AI	4.27	8	20	15	10	10	20	15	10	AI	4.27	8	20	15	10	10
-25	-30	-35	AJ	4.27	8	20	15	10	10	20	15	10	AJ	4.27	8	20	15	10	10
-30	-35	-40	AK	4.27	8	20	15	10	10	20	15	10	AK	4.27	8	20	15	10	10
-35	-40	-45	AL	4.27	8	20	15	10	10	20	15	10	AL	4.27	8	20	15	10	10
-40	-45	-50	AM	4.27	8	20	15	10	10	20	15	10	AM	4.27	8	20	15	10	10
-45	-50	-55	AN	4.27	8	20	15	10	10	20	15	10	AN	4.27	8	20	15	10	10
-50	-55	-60	AO	4.27	8	20	15	10	10	20	15	10	AO	4.27	8	20	15	10	10
-55	-60	-65	AP	4.27	8	20	15	10	10	20	15	10	AP	4.27	8	20	15	10	10
-60	-65	-70	AQ	4.27	8	20	15	10	10	20	15	10	AQ	4.27	8	20	15	10	10
-65	-70	-75	AR	4.27	8	20	15	10	10	20	15	10	AR	4.27	8	20	15	10	10
-70	-75	-80	AS	4.27	8	20	15	10	10	20	15	10	AS	4.27	8	20	15	10	10
-75	-80	-85	AT	4.27	8	20	15	10	10	20	15	10	AT	4.27	8	20	15	10	10
-80	-85	-90	AV	4.27	8	20	15	10	10	20	15	10	AV	4.27	8	20	15	10	10
-85	-90	-95	AW	4.27	8	20	15	10	10	20	15	10	AW	4.27	8	20	15	10	10
-90	-95	-100	AX	4.27	8	20	15	10	10	20	15	10	AX	4.27	8	20	15	10	10
-95	-100	-105	AY	4.27	8	20	15	10	10	20	15	10	AY	4.27	8	20	15	10	10
-100	-105	-110	AZ	4.27	8	20	15	10	10	20	15	10	AZ	4.27	8	20	15	10	10
-105	-110	-115	BA	4.27	8	20	15	10	10	20	15	10	BA	4.27	8	20	15	10	10
-110	-115	-120	BB	4.27	8	20	15	10	10	20	15	10	BB	4.27	8	20	15	10	10
-115	-120	-125	BC	4.27	8	20	15	10	10	20	15	10	BC	4.27	8	20	15	10	10
-120	-125	-130	BD	4.27	8	20	15	10	10	20	15	10	BD	4.27	8	20	15	10	10
-125	-130	-135	BE	4.27	8	20	15	10	10	20	15	10	BE	4.27	8	20	15	10	10
-130	-135	-140	BF	4.27	8	20	15	10	10	20	15	10	BF	4.27	8	20	15	10	10
-135	-140	-145	BG	4.27	8	20	15	10	10	20	15	10	BG	4.27	8	20	15	10	10
-140	-145	-150	BH	4.27	8	20	15	10	10	20	15	10	BH	4.27	8	20	15	10	10
-145	-150	-155	BI	4.27	8	20	15	10	10	20	15	10	BI	4.27	8	20	15	10	10
-150	-155	-160	BJ	4.27	8	20	15	10	10	20	15	10	BJ	4.27	8	20	15	10	10
-155	-160	-165	BK	4.27	8	20	15	10	10	20	15	10	BK	4.27	8	20	15	10	10
-160	-165	-170	BL	4.27	8	20	15	10	10	20	15	10	BL	4.27	8	20	15	10	10
-165	-170	-175	BM	4.27	8	20	15	10	10	20	15	10	BM	4.27	8	20	15	10	10
-170	-175	-180	BN	4.27	8	20	15	10	10	20	15	10	BN	4.27	8	20	15	10	10
-175	-180	-185	BO	4.27	8	20	15	10	10	20	15	10	BO	4.27	8	20	15	10	10
-180	-185	-190	BP	4.27	8	20	15	10	10	20	15	10	BP	4.27	8	20	15	10	10
-185	-190	-195	BQ	4.27	8	20	15	10	10	20	15	10	BQ	4.27	8	20	15	10	10
-190	-195	-200	BR	4.27	8	20	15	10	10	20	15	10	BR	4.27	8	20	15	10	10
-195	-200	-205	BS	4.27	8	20	15	10	10	20	15	10	BS	4.27	8	20	15	10	10
-200	-205	-210	BT	4.27	8	20	15	10	10	20	15	10	BT	4.27	8	20	15	10	10
-205	-210	-215	BV	4.27	8	20	15	10	10	20	15	10	BV	4.27	8	20	15	10	10
-210	-215	-218	BW	4.27	8	20	15	10	10	20	15	10	BW	4.27	8	20	15	10	10
-215	-218	-220	BX	4.27	8	20	15	10	10	20	15	10	BX	4.27	8	20	15	10	10
-218	-220	-222	BY	4.27	8	20	15	10	10	20	15	10	BY	4.27	8	20	15	10	10
-220	-222	-224	BZ	4.27	8	20	15	10	10	20	15	10	BZ	4.27	8	20	15	10	10
-222	-224	-226	CA	4.27	8	20	15	10	10	20	15	10	CA	4.27	8	20	15	10	10
-224	-226	-228	CB	4.27	8	20	15	10	10	20	15	10	CB	4.27	8	20	15	10	10
-226	-228	-230	CC	4.27	8	20	15	10	10	20	15	10	CC	4.27	8	20	15	10	10
-230	-232	-234	CD	4.27	8	20	15	10	10	20	15	10	CD	4.27	8	20	15	10	10
-232	-234	-236	CE	4.27	8	20	15	10	10	20	15	10	CE	4.27	8	20	15	10	10
-234	-236	-238	CF	4.27	8	20	15	10	10	20	15	10	CF	4.27	8	20	15	10	10
-236	-238	-240	CG	4.27	8	20	15	10	10	20	15	10	CG	4.27	8	20	15	10	10
-240	-242	-244	CH	4.27	8	20	15	10	10	20	15	10	CH	4.27	8	20	15	10	10
-242	-244	-246	CI	4.27	8	20	15	10	10	20	15	10	CI	4.27	8	20	15	10	10
-244	-246	-248	CJ	4.27	8	20	15	10	10	20	15	10	CJ	4.27	8	20	15	10	10
-246	-248	-250	CK	4.27	8	20	15	10	10	20	15	10	CK	4.27	8	20	15	10	10
-248	-250	-252	CL	4.27	8	20	15	10	10	20	15	10	CL	4.27	8	20	15	10	10
-250	-252	-254	CM	4.27	8	20	15	10	10	20	15	10	CM	4.27	8	20	15	10	10
-252	-254	-256	CN	4.27	8	20	15	10	10	20	15	10	CN	4.27	8	20	15	10	10
-254	-256	-258	CO	4.27	8	20	15	10	10	20	15	10	CO	4.27	8	20	15	10	10
-256	-258	-260	CP	4.27	8	20	15	10	10	20	15	10	CP	4.27	8	20	15	10	10
-258	-260	-262	CQ	4.27	8	20	15	10	10	20	15	10	CQ	4.27	8	20	15	10	10
-260	-262	-264	CR	4.27	8	20	15	10	10	20	15	10	CR	4.27	8	20	15	10	10
-262	-264	-266	CS	4.27	8	20	15	10	10	20	15	10	CS	4.27	8	20	15	10	10
-264	-266	-268	CT	4.27	8	20	15	10	10	20	15	10	CT	4.27	8	20	15	10	10
-266	-268	-270	CV	4.27	8	20	15	10	10	20	15	10	CV	4.27	8	20	15	10	10
-268	-270	-272	CW	4.27	8	20	15	10	10	20	15	10	CW	4.27	8	20	15	10	10
-270	-272	-274	CX	4.27	8	20	15	10	10	20	15	10	CX	4.27	8	20	15	10	10
-272	-274	-276	CY	4.27	8	20	15	10	10	20	15	10	CY	4.27	8	20	15	10	10
-274	-276	-278	CZ	4.27	8	20	15	10	10	20	15	10	CZ	4.27	8	20	15	10	10
-276	-278	-280	DA	4.27	8	20	15	10	10	20	15	10	DA	4.27	8	20	15	10	10
-278	-280	-282	DB	4.27	8	20	15	10	10	20	15	10	DB	4.27	8	20	15	10	10
-280	-282	-284	DC	4.27	8	20	15	10	10	20	15	10	DC	4.27	8	20	15	10	10
-282	-284	-286	DD	4.27	8	20	15	10	10	20	15	10	DD	4.27	8	20	15	10	10
-284	-286	-288	DE	4.27	8	20	15	10	10	20	15	10	DE	4.27	8	20	15	10	10
-286	-288	-290	DF	4.27	8	20	15	10	10	20	15	10	DF	4.27	8	20	1		



Prices at 3pm, January 9

**Continued on Page 34**

## Continued from Page 32

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**WORLD VALUE OF  
THE POUND**  
every Tuesday  
in the  
Financial Times



**OVER-THE-COUNTER** *Nasdaq national market, 2.30pm prices*

AUSTRIA

GERMANY

NORWAY

AUSTRALIA (continued)

JAPAN (continued)

OVER-THE-COUNTER

Nasdaq national market, 2:30pm prices

LONDON

Jan. 9	Price	± or	Jan. 9	Price	± or	Jan. 9	Price	± or	Jan. 9	Price	± or	Jan. 8	Price	± or	Jan. 8	Price	± or	Stock	Sales	High	Low	Last	Chg	Stock	Sales	High	Low	Last	Chg	Stock	Sales	High	Low	Last	Chg
Greitmanstall	227	-2	AED Toff	100.1	+3	Bergson & Bank	164.5	-3	Gen Prop Trust	8.10	-0.01	MHI	257	-3	Stock			Stock						Stock											
Giesecke	336	+1	Allianz Vero	1063	+8	Bergson & Bank	164.5	-3	Hendel James	2.25	-0.01	Mitsui Co	562	-12	Stock			Stock						Stock											
Industriell	328	-1	Bayern	194.6	-0.4	Carlsberg	102.5	+0.5	Herold WTTimes	2.45	-0.05	Mitsui Co	562	-12	Stock			Stock						Stock											
Perimeter	320	-2	Bayern	194.6	-0.4	Carlsberg	102.5	+0.5	Herold WTTimes	2.45	-0.05	Mitsui Co	562	-12	Stock			Stock						Stock											
Veitacher Mag.	250	-5	Bayern	194.6	-0.4	Carlsberg	102.5	+0.5	Herold WTTimes	2.45	-0.05	Mitsui Co	562	-12	Stock			Stock						Stock											
BELGIUM/LUXEMBOURG																																			
Jan. 9	Price	± or	Jan. 9	Price	± or	Jan. 9	Price	± or	Jan. 9	Price	± or	Jan. 8	Price	± or	Jan. 8	Price	± or	Stock	Sales <th>High</th> <th>Low</th> <th>Last</th> <th>Chg</th> <td>Stock</td> <td>Sales<th>High</th><th>Low</th><th>Last</th><th>Chg</th></td> <td>Stock</td> <td>Sales<th>High</th><th>Low</th><th>Last</th><th>Chg</th></td>	High	Low	Last	Chg	Stock	Sales <th>High</th> <th>Low</th> <th>Last</th> <th>Chg</th>	High	Low	Last	Chg	Stock	Sales <th>High</th> <th>Low</th> <th>Last</th> <th>Chg</th>	High	Low	Last	Chg
B.L.B.	1,870		Dresdner Bank	100.1	+3	Bergson & Bank	164.5	-3	Gen Prop Trust	8.10	-0.01	MHI	257	-3	Stock			Stock						Stock											
Bank Int. A. Lux	4,500	+30	Dresdner Bank	100.1	+3	Bergson & Bank	164.5	-3	Hendel James	2.25	-0.01	Mitsui Co	562	-12	Stock			Stock						Stock											
Berkert & Co.	5,500	+20	Dresdner Bank	100.1	+3	Bergson & Bank	164.5	-3	Hendel James	2.25	-0.01	Mitsui Co	562	-12	Stock			Stock						Stock											
Bank Int. A. Lux	4,500	+30	Dresdner Bank	100.1	+3	Bergson & Bank	164.5	-3	Hendel James	2.25	-0.01	Mitsui Co	562	-12	Stock			Stock						Stock											
Bank Int. A. Lux	4,500	+30	Dresdner Bank	100.1	+3	Bergson & Bank	164.5	-3	Hendel James	2.25	-0.01	Mitsui Co	562	-12	Stock			Stock						Stock											
Bank Int. A. Lux	4,500	+30	Dresdner Bank	100.1	+3	Bergson & Bank	164.5	-3	Hendel James	2.25	-0.01	Mitsui Co	562	-12	Stock			Stock						Stock											
Bank Int. A. Lux	4,500	+30	Dresdner Bank	100.1	+3	Bergson & Bank	164.5	-3	Hendel James	2.25	-0.01	Mitsui Co	562	-12	Stock			Stock						Stock											
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**WORLD ECONOMIC  
INDICATORS**  
every Monday  
in the  
**Financial Times**

فانما اصل العمل



# Relentless upsurge in equity leaders continues

97	11	15	11
98	12	29	12
99	13	50	13



















## Decisions sought on gold futures market

The Exchange said the 24-hour trading system would start on January 16.

All-day trading has been made possible by the recent entry of the Sydney Exchange into a common options clearing mechanism with the Canadians and the Amsterdam Exchange.

Ending the contribution quota — a long-standing demand of the International Monetary Fund — had been strenuously advocated by the Industry and Commerce Ministry and the IBC on the grounds that it reduced their flexibility in promoting exports to new markets.

This effect of its abolition was expected to be a reduction in the 1954-55 import bill of U.S.\$68 a bag. But there is considerable uncertainty in Santos over exactly how it would work and what the precise changes would be. As a result most export sales have been halted for the time being.

At the end of last week the Commercial Association of Sao Paulo, the largest of the appealing directly to President Joao Figueiredo's chief domestic affairs aide, Jose Laetiao de Abreu, to take urgent measures to deal with the salaries being practised by the IBC."

U.S. DISTILLATE fuel oil stocks rose by more than 1.8m barrels at the end of last week to 159.2m barrels, despite a continuing slide in crude oil prices. Stocks of diesel fuel were 17.7m barrels above the same time in 1984.

Stocks of residual fuel and gasolines moved up as well to 514.6 barrels and 241m barrels, respectively.

However crude oil stocks fell to 335.9m barrels, a drop of 2.5m barrels from last week.

Reflecting traders' reluctance to buy oil, prices of oil and gasolines seemed due to fall. Crude oil stocks last week were 15.6m barrels below last year at this time.

Cruds imports last week remained steady at 2.6m barrels, remained at 2.6m barrels, a rise of just 300,000 from the previous week.

The U.S. distillate

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agreement against a background of disappointment by both producers and consumers about the effectiveness of commodity pacts.

U.S. has already told Malaysia it would not be prepared to discuss the producers' proposal for a supply rationalisation pact. The U.S. has also agreed because it is seen as a disguised form of export control.

The buffer stock intervened on Monday for the second successive day in Kuala Lumpur and Singapore to buy rubber to bail the decline in prices of the commodity to a slight rise from 189 Malaysian cents a kilo.

Malaysian rubber officials said they were puzzled over the price decline in recent weeks.

**THE UK farm land market continues to remain uncertain** according to figures published by the Agriculture Ministry.

They show English vacant possession land sales to the September to November period averaged 52,795 a hectare, down from 54,195 in the three months ended October.

The weighted average price, which allows for area and size variations in the sample, was calculated at £4,295 a hectare, down from £4,195 in June-October.

English farm land prices have been declining since the summer when they reached around 55,000 a hectare. The uncertainty about the future of EEC agricultural price support

ZINC	a.m. Official	+ or -	p.m. Unofficial	+ or -
	£	£	£	£
Cash .....	719.75-20	+2.57	725.5	+3.5
3 months .....	711.5	+3.5	718.5-4	+6.25

	\$ per troy ounce	
Jan. ....	—	—
Feb. ....	302.55-02.80	+0.70 303.25-03.50
April ....	306.85-07.00	+0.80 307.60-07.80

Turnover: 273 ( ) lots of 100 troy

Sales: 4,540 (4,863) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for January 9: \$7.76 (58.07); five-day average for

Month	Yesterdays close	Previous close	Business done
p. per kilo (deadweight)			

October	147.5	149.0	-0.75	--
Nov	148.5	151.5	-5.25	--
Dec	149.1	152.5	--	--

Sales: 209 (674) lots of 20 tonnes.

	2048	2048	2048	2048
FREE "C" 37,000 lb. cents/lb				
	Close	High	Low	Prev
March	143.44	43.00	42.00	42.58
April	140.59	40.80	39.90	39.79
May	138.04	38.00	37.00	36.97

...	571.2	---	---	542.6
rch	582.2	578.0	555.5	552.6
y	594.2	585.5	585.0	585.0
<hr/>				
GAR WORLD	" 11 "	112,000 lb,		
ta/lb				

	Close	High	Low	Prev
March	345.4	346.2	341.8	340.4
May	337.4	338.2	334.0	334.0

**WHEAT**  
WHEAT COMMISSION—Average for-  
eign prices at representative markets.  
—Cattle 98.32p per kg lw (+0.88).

**LONDON NEW ZEALAND CROSS-**  
**EDS**—Close (in order: buyer, seller,  
 iness): New Zealand cents per-kg,  
 510, 513, 512-509; March 513, 616,

OGOA—(Fr. per 100kg): March  
1/2124, May 2135/2140, July 2140  
Sept 2145 bid, Dec 2080/2085,  
ch 2085 bid, May 2080 bid.







